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SOUTH NAPA WASTE MANAGEMENT AUTHORITY

Steve DeMello
Local Planning Division
California Integrated Waste Management Board
8800 Cal Center Drive
Sacramento, CA 95826-3268

February 23, 1994

Dear Steve:

As promised, I have enclosed a copy of the South Napa Waste Management Authority's contract with Regional Disposal Company for the operation of the Authority's transfer facility and for the transportation and disposal of solid waste processed at the transfer facility. Also enclosed is the staff memo to the Authority which briefly outlines the operator selection process which was used, and the rationale for staff's recommendation to contract with Regional Disposal Company.

Trent Cave, the Authority Manager, and myself would like an opportunity to meet with Ralph Chandler, yourself, and any other interested parties to answer any questions concerning this issue. Please let us know when this meeting would be convenient.

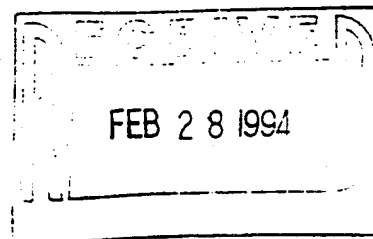
2/25 - 4/16 Enclosures undelivered

Sincerely,



Jill Pahl, R.E.H.S.
Environmental Management Coordinator

cc: Trent Cave, Authority Manager
Ralph Chandler, California Integrated Waste Management Board



**AGREEMENT
BETWEEN
REGIONAL DISPOSAL COMPANY
AND
SOUTH NAPA WASTE MANAGEMENT AUTHORITY, CALIFORNIA
REGARDING TRANSFER STATION OPERATIONS
AND
SOLID WASTE
TRANSPORTATION AND DISPOSAL SERVICES**

Original Counterpart No. ____ of ____

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SOUTH NAPA WASTE MANAGEMENT AUTHORITY AGREEMENT NO. 94-09

**CONTRACT FOR TRANSFER STATION OPERATION AND,
SOLID WASTE TRANSPORTATION AND DISPOSAL SERVICES**

THIS CONTRACT ("Contract") is made and entered into as of the
10th day of February, 1994 by and between the **SOUTH NAPA
WASTE MANAGEMENT AUTHORITY, a joint powers agency organized under the laws of
the State of California, (the "Authority") and Regional Disposal Company, a Washington
joint venture comprised of Rabanco Regional Landfill Company, a Washington Corporation,
WJR Environmental, Inc., a Washington corporation, Waste Associates, a Washington
corporation, and MJS Associates, a Washington corporation, (hereinafter collectively referred
to as the "Contractor");**

RECITALS:

**WHEREAS, the Authority was formed by the County of Napa and the Cities of Napa
and Vallejo for the efficient management of solid waste upon closure of the American Canyon
Sanitary Landfill and to that end has designed and will soon construct a transfer station
("Transfer Facility") located within the southern portion of Napa County; and**

**WHEREAS, in response to a Request for Proposals--Solid Waste Services issued in late
1993 by the Authority, the Contractor, among others, submitted proposals to operate the
Authority's Transfer Facility and to transport and dispose of the solid wastes processed at the
Transfer Facility;**

**WHEREAS, based upon evaluation of the qualified proposals submitted by Contractor
and other proposers in light of the criteria contained in the Request for Proposals, Contractor
was selected to perform the aforesaid services by the Authority Board of Directors at a meeting
of the Board held on January 27, 1994 and direction was given by said Board for Contract to
be drawn up for consideration and execution by Authority and Contractor;**

TERMS:

**NOW, THEREFORE, BE IT AGREED BY AUTHORITY AND CONTRACTOR
as follows:**

ARTICLE 1

Definitions

For the purposes of this Contract and the Contract Documents, the following terms shall

have the following meanings:

1.1 Acceptable Waste means all putrescible and nonputrescible waste including but not limited to garbage, rubbish, refuse, paper and cardboard; plant and grass clippings and leaves; commercial, industrial, demolition and construction wastes; wood waste; discarded or abandoned vehicles or parts thereof; septage screenings; discarded home and industrial appliances; manure, vegetable or animal solids and semisolid wastes and dead animals. Acceptable Waste does not include source separated recyclable or compostable materials intended for collection as part of a franchised collection contract.

1.2 Authority means the South Napa Waste Management Authority, a joint powers agency organized under the laws of the State of California, its divisions, departments and agencies, and all of the geographic areas lying within the service area of Authority as presently existing, plus all geographic areas which may be added or annexed thereto during the term of this Contract. Geographic areas detached during the term of this Contract shall not be included in this definition after such time such geographic areas are detached.

1.3 Authority Fee means the amount which Authority shall retain and represents the difference between the Transfer Fee collected by Contractor for Waste delivered to the Transfer Facility and the Service Fee payable to Contractor.

1.4 Change in Law means:

(a) any of the following that occurs after the date of this Contract:

(i) The enactment, adoption, promulgation, modification, repeal or change in interpretation of any federal, state, city, county or other local law, ordinance, code, rule, requirement, regulation or similar legislation;

(ii) The issuance of an order, decree or judgment of any federal, state or local court, administrative agency or governmental office or body, to the extent that order, decree or judgment is not also the result of negligence or willful action or failure to act of the party relying thereon, provided that contesting in good faith any order, decree or judgment shall not constitute or be construed as a willful or negligent action of that party; or

(iii) The imposition of any material conditions on the renewal of any official permit, license or approval which establishes requirements making the construction or operation of the Transfer Facility, Disposal Site or Vehicles financially more burdensome, as determined by the Authority, than the most stringent requirements in effect on January 1, 1994.

(b) Notwithstanding the foregoing, the following shall not constitute a Change of Law for purposes of this Contract:

(i) the adoption of, or change, amendment or modification to, any federal, state, local or any other law which imposes or increases a tax, fee or charge upon business activities generally, or certain classes of business activities generally, and which is not specifically directed at solid waste disposal and/or solid waste transportation business activities

to the exclusion of other business activities not directly related to solid waste; or

(ii) the adoption of or change, amendment or modification to any law, ordinance, code, rule, regulation or similar requirement by a local governmental body with jurisdiction over the Disposal Site.

1.5 Consumer Price Index or CPI means the consumer price index for all urban consumers (CPI-U), San Francisco-Oakland-San Jose Area, all items, as published by the U.S. Department of Labor, Bureau of Labor Statistics.

1.6 Container means a receptacle for transporting Acceptable Wastes. The term includes, but is not limited to, intermodal shipping containers.

1.7 Contract means this Agreement for Transfer Station Operations, Transportation and Disposal between Contractor and the South Napa Waste Management Authority.

1.8 Contract Documents means the combination of all of the following:

- (a) this Contract;
- (b) the performance bonds, letters of credit or other financial guarantees required under Section 6.4;
- (c) the Request for Proposals ("RFP");
- (d) the Specifications and the Transfer Station Operating Plan required thereby;
- (e) the Contractor's Proposal; and
- (f) any and all appendices, attachments, amendments, change orders, or modifications of the foregoing documents agreed to by the parties in the manner prescribed by the Contract unless otherwise designated for informational or proposal evaluation purposes only.

1.9 Contractor means Regional Disposal Company, a Washington general partnership selected by the Authority to operate the Transfer Facility and to provide Transportation and Waste Disposal services in accordance with this Contract, its successors or assigns and, as applicable, the Contractor's officers, employees and agents.

1.10 Designated Hauler means the entity or entities named by Authority, from time to time, to deliver Waste to the Transfer Facility.

1.11 Director or Manager means the Authority's Manager.

1.12 Dispose or Disposal means all work, services or operations performed by the Contractor pursuant to this Contract on or after the time that Acceptable Waste enters the boundaries of the Disposal Site pursuant to this Contract.

1.13 Disposal Site means: (a) the Roosevelt Regional Landfill in Klickitat County, Washington; or (b) any other landfill or disposal site used by the Contractor for the final treatment, utilization, processing, or deposition of any Acceptable Waste received under this Contract which (i) meets the requirements of 40 CFR Part 258 as such may be amended from time to time; and (ii) is approved in writing in advance by the Authority, which approval may not be unreasonably withheld. It is mutually agreed that such approval may be withheld if the proposed alternative site does not meet all federal standards then in effect which are applicable to new landfills.

1.14 Hazardous Waste means (a) all waste defined or characterized as hazardous waste by the federal Solid Waste Disposal Act (42 U.S.C. 3251 et seq.), as amended, including the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq., and all future amendments thereto, or regulations promulgated thereunder and any other federal statute or regulation governing the treatment, storage, handling or disposal of waste, materials, or substances, which imposes special handling or disposal requirements similar to those required by Subtitle C of RCRA, (b) all waste defined or characterized as hazardous waste by the principal agencies of the State of California (including without limitation the Department of Health Services and the California Integrated Waste Management Board) having jurisdiction over hazardous waste generated by facilities within such state and (c) all waste defined or characterized as dangerous or extremely hazardous in the Washington State Hazardous Waste Management Act, and all future amendments thereto or regulations promulgated thereunder, provided that the term Hazardous Waste:

(a) Is intended to mean and include those substances which are not normally expected to be disposed of by generally accepted sanitary landfill methods;

(b) Shall include radioactive wastes; and

(c) Shall be construed to have the broader, more encompassing definition where there exists a conflict in the definitions employed by two or more governmental agencies having concurrent or overlapping jurisdiction over Hazardous Waste.

1.15 Load or Loaded means the process by which and status of a Container after Waste is discharged into that container at the Transfer Facility.

1.16 Long-Haul Transport or Long-Haul Transportation means but is not limited to storage and handling of Containers of Waste at the Transfer Facility, and Transportation of Containers to and from the Transfer Facility and the Disposal Site.

1.17 Person or Persons means, without limitation, any individual, firm, corporation, association, partnership, consortium, joint venture, entity, government agency, or unit of local government.

1.18 Project means any and all items that the Contract requires to be done, kept, performed and furnished by the Contractor and by the Authority, respectively, for the operation of the Transfer Facility and the Transportation and Disposal of Waste.

- 1.19 Proposal means the Contractor's response to the RFP.
- 1.20 Proposal Requirements means all terms, conditions and requirements stated in the Request for Proposals. The Proposal Requirements are set forth in Exhibit B to this Contract.
- 1.21 RCW means the Revised Code of Washington.
- 1.22 Representative means, depending upon the context, the authorized representative of the Authority or the Contractor designated in accordance with Article 5.
- 1.23 Request for Proposals or RFP means the Authority's Request for Proposals, issued to secure services for the operation of a Transfer Facility and for Transportation and Disposal of Waste processed at the Transfer Facility, dated December 14, 1993 and all addenda thereto.
- 1.24 Service Area means all areas within the Cities of Napa and Vallejo and within Napa County Garbage Service Zone One (as defined in the December 18, 1990, Napa County Franchise Agreement No. 882), the unserved areas adjacent to Napa County Garbage Service Zone One, and a portion of Solano County limited to those islands of unincorporated areas completely surrounded by the City of Vallejo and those areas contiguous to the City of Vallejo that are contained in the City of Vallejo's sphere of influence as defined by the Solano County Local Agency Formation Commission.
- 1.25 Service Fee means the per-ton fee remitted by Authority to Contractor from Transfer Fees paid by Transfer Facility customers for the delivery of Waste to the Transfer Facility as set forth in Article 8.
- 1.26 Waste Reduction Program means any program that reduces the amount of Waste that would otherwise be disposed of in a landfill, including without limitation recycling, composting, salvaging and waste-to-energy projects.
- 1.27 Waste Stream means Acceptable Waste generated in the Service Area.
- 1.28 Special Waste means a waste which is a hazardous waste only because it contains an inorganic substance or substances which cause it to pose a chronic toxicity hazard to human health or the environment and which meets all of the criteria and requirements of 22 California Code of Regulations section 66261.122 and has been classified a special waste pursuant to 22 California Code of Regulations section 66261.124.
- 1.29 Specifications means the technical specifications issued by the Authority as part of the Authority's RFP for services under this Contract and incorporated herein by this reference.
- 1.30 State/Local Solid Waste Handling Fee means a governmentally-imposed fee, tax, surcharge, or similar charge on waste handling services, including but not limited to Transportation and Disposal services; the term does not include federally-imposed fees, taxes, surcharges, or other charges levied equally on Waste handling in all states.

1.31 Surety means the Person providing a cash bond, performance bond, or other financial guarantee required under Section 6.4 guaranteeing or providing the funds to guarantee, performance of the Contractor's obligations under this Contract; the Surety must be licensed to conduct business in the states of California and Washington and be included on the current list of Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies, as published in Circular 570, as amended, by the Audit Staff Bureau of Accounts, United States Treasury Department.

1.32 Term or Term of Contract means the term of this Contract, and including any extensions thereof, determined in accordance with Article 20.

1.33 Tractor means a vehicle used to move Containers.

1.34 Transfer Facility means the Authority transfer station located at 889 Devlin Road, Napa, California.

1.35 Transfer Fee means the fee set by the Authority from time to time for the delivery of Waste to the Transfer Facility.

1.36 Transfer Trailer means a Tractor-drawn Container, including intermodal shipping Container on a chassis.

1.37 Transport or Transportation means, but is not limited to, the storage, handling, loading, unloading and transportation of Containers under this Contract.

1.38 Unacceptable Waste means:

(a) Any material, the handling, Transportation or Disposal of which at the Disposal Site would constitute a violation of any federal, state or local law, regulation, rule, code, permit or permit condition; or

(b) Hazardous Waste; or

(c) any other Waste expressly excluded from Acceptable Waste; or

(d) Special Wastes, unless otherwise agreed by Authority and Contractor.

1.39 Uncontrollable Circumstances means any act or event that has had or may reasonably be expected to have a material adverse effect on the rights or obligations of a party to this Contract, or a material adverse effect on the acquisition, construction, start-up, testing, operation, ownership or possession of the Transfer Facility, Vehicles or Disposal Site, if that act or event is beyond the reasonable control of the party relying thereon as justification for not performing an obligation or complying with any condition under this Contract. Those acts or events shall include, but are not limited to, the following:

(a) an act of God (except normal weather conditions for the geographic area affected), hurricanes, tornadoes, epidemic, landslide, lightning, earthquake, volcanic eruption,

nuclear radiation, fire or explosion, flood or similar occurrence, an act of public enemy, war, blockade, insurrection, riot, general arrest, or restraining of government and people, civil disturbance or similar occurrence, that directly affects the operation of the Transfer Facility, Vehicles or Disposal Site;

(b) the failure of any appropriate federal, state or local agency or public or private utility having operational jurisdiction over, or responsibility to serve any of the Transfer Facility, Vehicles or Disposal Site to provide, maintain and assure the maintenance of any necessary utility which failure is not caused by Contractor's failure to pay for those utilities or Contractor's failure to comply with applicable law;

(c) any strike or labor dispute; or

(d) a Change in Law.

1.40 U.S.C. means the United States Code.

1.41 Vehicle means a Tractor, Container, Transfer Trailer, railroad rolling stock or other piece of equipment used to Transport Waste.

1.42 WAC means the Washington Administrative Code.

1.43 Waste means any Acceptable Waste, that is delivered to the Transfer Facility.

ARTICLE 2

General Provisions

2.1 Governing Law. This Contract is made in and shall be construed under the laws of the State of California, and any actions filed hereunder shall be filed in the County of Napa, State of California.

2.2 Complete Agreement. This Contract, as it may be amended from time to time, constitutes the entire and complete agreement and final expression of the parties with respect to the subject matter it contains.

2.3 Complementary Contract Documents. The Contract Documents are complementary and shall be interpreted so that what is required by one shall be as binding as if required by all. The Contractor immediately shall bring to the Authority's attention, for decision and mutual revision, any observed conflicts between or duplications of any Contract provisions or any material omission from the Contract. The Contractor shall obtain written instructions from the Authority's Representative before proceeding with services affected by omissions or discrepancies in the Contract Documents. In the event of a conflict between or among the Contract Documents as well as between any of such Contract Documents and the Indenture Trust and/or Official Statement ("Bond Documents") relating to any issuance of bonds for or relating to the Transfer Facility, the following priority of documents shall govern:

- (a) Bond Documents
- (b) this Contract;
- (c) the Specifications;
- (d) Proposal from Contractor;
- (e) RFP addenda;
- (f) RFP.

2.4 Severability. If any Contract provision is held void, invalid, or unenforceable under any applicable law, the remaining provisions of the Contract shall remain in effect and bind the parties; however, the parties shall negotiate in good faith to amend the Contract to effectuate the intent of any void, invalid, or unenforceable provision, if permissible under applicable law.

2.5 Time of the Essence: No Waiver. Time is of the essence of this Contract. The Authority's or Contractor's failure to object to a breach of any Contract provision is not and shall not be construed as a waiver of that provision. The payment or acceptance of compensation subsequent to any breach is not and shall not be deemed an acceptance of that breach. Any waiver must be in writing.

2.6 Construction of Terms. Unless otherwise specified in the Contract, words describing material or work that have a well-known technical or trade meaning shall be construed in accordance with the well-known meaning generally recognized by solid waste professionals, engineers and trades.

2.7 Access. The Authority shall have the right and unlimited access to inspect any or all of the Contractor's and subcontractors' operations, Transfer Facility, Vehicles, Disposal Site, or records related to this Contract; however, the Authority's access to records under this Section shall be subject to the confidentiality provisions of Section 6.5. The Authority shall have access to operations, Transfer Facility, Vehicles and Disposal Site under this Section at any and all times during normal business hours or when there is activity of any kind at those operations or sites.

2.8 No Third Party Beneficiaries. This Contract is not intended to create nor does it create any third party beneficiary or rights in any private Person except for the bond trustee for any bonds issued in connection with or relating to the Transfer Facility. Said bond trustee shall be deemed to be a third party beneficiary of this Contract. This Contract does create certain rights in the Authority with respect to the Contractor but those rights may be exercised only by, through, or on behalf of the Authority.

2.9 Personal Liability. This Contract is not intended to create or result in any personal liability for any public official or Authority employee or agent, nor shall the Contract be construed to create that liability.

2.10 Comprehensive Contract. All services that are necessary to complete and carry out the Project as described in the Contract Documents shall be considered part of the Project and the Contractor shall perform or provide for the services without extra compensation unless otherwise expressly stated in the Contract Documents.

2.11 Subsidiary Contracts. No contract between the Contractor and its subcontractors, officers, employees, or agents, including all contracts relating to the use, lease, operation, or ownership of the Transfer Facility, Disposal Site or Vehicles, shall prevent, expressly or in effect, the Contractor from performing its obligations under this Contract.

2.12 Notices. Any written notice under the Contract shall be deemed served when: (a) delivered in person to the Person to whom it was intended; (b) if sent by certified mail or other carrier, return receipt requested, to that Person at the Person's last known business address; or (c) if sent by facsimile (confirmed promptly by the means described in clause (a) or (b) of this paragraph). The date or time of service shall be three (3) business days after the date or time the relevant document was mailed to that address; one (1) business day after the relevant document was faxed to that fax number; and the same day if personally delivered to the specified person and/or address. The Contractor shall address all notices and correspondence for the Authority to the Authority's Representative. The Authority shall address all notices and correspondence for the Contractor to the Contractor's Representative.

2.13 Article, Section and Subsection References. Any Articles, Sections, or subsections mentioned in this Contract by number only, without reference to another document refer to those Articles, Sections, or subsections contained in this Contract. All Article, Section or subsection headings contained in this Contract are for convenience and reference only. They are not intended to define or limit the scope of any provision of this Contract.

2.14 Amendment or Waiver. Neither this Contract nor any provision hereof may be changed, modified, amended or waived except by written instrument signed by the parties.

2.15 Contract Execution. For purposes of this Contract, Contract execution shall be the first date upon which both parties have executed the Contract which shall be the date first above written.

ARTICLE 3

Independent Contractor

3.1 Contractor as Independent Contractor. The Contractor shall perform all work under this Contract as an independent contractor. The Contractor is not and shall not be considered an employee, agent, subagent, or servant of the Authority for this Contract or otherwise; the Contractor's subcontractors, employees, or agents are not and shall not be considered employees, agents, subagents, or servants of the Authority for this Contract or otherwise. Nothing in this Contract shall be construed as creating a partnership or joint venture between the Contractor and the Authority or as giving the Authority a duty to supervise or control the acts or omissions of any Person performing services or work under the Contract.

ARTICLE 4

Subcontractors

4.1 Rejection of Suppliers and Subcontractors. The Contractor shall submit to the Authority the names and addresses of all proposed suppliers or subcontractors for Project items and/or services at the Transfer Facility that equal or exceed ten percent (10%) of the estimated Service Fees to be received by the Contractor for the first calendar year of operations under the Contract or, if operations have commenced under this Contract, those Project items and/or services that equal or exceed ten percent (10%) of the Service Fees received by the Contractor under this Contract for the previous calendar year. The Contractor shall submit to the Authority the names and addresses of all proposed suppliers or subcontractors for Project items and/or services other than at the Transfer Facility that equal or exceed five (5%) of the estimated Service Fees to be received by the Contractor for the first calendar year of operations under the Contract or, if operations have commenced under this Contract, those Project items and/or services that equal or exceed five percent (5%) of the Service Fees received by the Contractor under this Contract for the previous calendar year. Contractor shall make this submission at least thirty (30) days prior to the effective date of each subcontract. The Authority reserves the right to reject in writing within fifteen (15) days of such submission any such supplier or subcontractor. The Authority's right to reject shall not be unreasonably exercised.

ARTICLE 5

Contractor and Authority Representatives

5.1 Representatives. The Contractor and the Authority shall, respectively, designate and provide for the Term of this Contract a 24-hour emergency contact telephone number.

5.2 Contractor Representative. The Contractor's Representative shall be the Contractor's agent and shall represent the Contractor for all purposes of this Contract. All written or oral directions, instructions, or notices given by the Authority to that Representative and related to the subject matter of the Contract shall bind the Contractor as if delivered to the Contractor personally. The Contractor's Representative shall be in charge of the Project at all times and shall have authority to act on behalf of the Contractor; the Contractor's Representative's statements, representations, actions and commitments shall fully bind the Contractor.

The Contractor's Representative is:

Mark Wolken
Vice President
Regional Disposal Company
200 112th Ave. N.E. Suite 300
Bellevue, Washington 98004
Phone: (206) 646-2400
Fax: (206) 646-2440

5.3 Authority Representative. Unless otherwise provided, the Authority's Representative shall be the Authority's representative to Contractor for all purposes of this Contract and that Representative's statements, representations, actions and commitments to Contractor shall fully bind the Authority to the extent permitted by applicable law.

The Authority's Representative is:

Manager, South Napa Waste Management Authority
c/o Napa County Director of Environmental Management
Room 101, 1195 Third Street
Napa, California 94559
Phone: (707) 253-4471
Fax: (707) 253-4545

5.4 Change in Representative. The parties shall promptly notify each other in writing of any change in the Person designated as the Contractor's or the Authority's Representative.

ARTICLE 6

Contractor Responsibilities

6.1 General. The Contractor's responsibilities under this Contract include, but are not limited to:

(a) acceptance, handling, unloading, storage of Acceptable Waste at the Transfer Facility, operation of the Transfer Facility, and Transportation and Disposal of Acceptable Waste received by the Contractor at the Transfer Facility, all in compliance with the Specifications;

(b) operation of the Transfer Facility and ownership, operation and/or leasing of the Disposal Site, Vehicles and all other equipment (other than Transfer Facility fixtures) necessary to perform its obligations under this Contract;

(c) procurement and maintenance of performance bonds, letters of credit, or other financial guarantees in accordance with Section 6.4;

(d) compliance with all applicable laws in accordance with Section 6.5; obtaining any permit, license, certificate, or governmental approval required for the Project in accordance with Section 6.6; and the payment of all applicable taxes and fees in accordance with Section 6.7;

(e) procurement and maintenance of insurance in accordance with Article 12;

(f) maintenance of a closure and post-closure trust fund in accordance with Section 6.9; and

(g) cooperation with Authority and Authority's member agencies in the holding

of hazardous waste collection days, and Waste and/or recycling educational programs.

6.2 Service and Commencement of Service. Commencing on any date between July 1, 1994 and December 31, 1994, as determined by the Authority, such determination being confirmed in writing to the Contractor at least ninety (90) days prior to that start date, the Contractor shall commence operation of the Transfer Facility and accept, Transport and Dispose of Waste delivered to the Transfer Facility. If, due to unforeseen circumstances, it is impossible for legal or practical reasons to commence operation of the Transfer Facility prior to December 31, 1994, the required date of commencement may be later than December 31, 1994 upon written agreement by Authority and Contractor.

6.3 Equipment; Replacement or Repair.

(a) Equipment; Assignment; Equipment Lease. The Contractor shall construct, own, lease, or otherwise provide, maintain, or operate in a quantity sufficient to perform the services under this Contract in a timely manner throughout the Term of the Contract, the following:

- (i) Vehicles;
- (ii) Transfer Facility Equipment as listed and described in the Specifications;
- (iii) Containers; and
- (iv) the Disposal Site.

The Vehicles, Disposal Site and Containers provided by the Contractor shall meet or exceed the Proposal Requirements.

(b) Replacement or Repair. The Contractor at its sole expense shall keep all of the facilities and equipment listed in (a)(i) through (iv) in good working order and repair.

6.4 Contract Start-Up and Performance Bonds. All bonds required herein shall be issued by a Surety or a bank whose long term debt is rated in one of the three highest categories by a nationally recognized rating agency (e.g., Standard and Poor's rating of AAA, AA, or A)). For purposes of this Article, the word "bond" shall mean any bond, letter of credit or other financial guarantee referred to in this Article and provided to guarantee or provide the funds to guarantee the performance of the Contractor's obligations under this Contract.

(a) Start-Up Bond. Within thirty days of receiving the notice of the commencement of services pursuant to Section 6.2 above, the Contractor shall provide to the Authority a bond ("Start-Up Bond") that shall remain in place until the Contractor provides the Authority the Performance Bond, required by subparagraph 6.4(b) below. The amount of the Start-Up Bond shall be twenty-five percent (25%) of the amount of the Performance Bond.

(b) Performance Bond. Fourteen days prior to the date of commencement of

services pursuant to Section 6.2 above, the Contractor shall provide a one-year contract performance bond ("Performance Bond"). The amount of the Performance Bond for the first year of the Contract shall be \$9,857,760.00 [188,197 (tons) × 52.38(Service Fee)], and modified each year thereafter to an amount set by the Authority but not to exceed 100% of the service fee for the prior year. The Contractor shall provide a new Performance Bond, or evidence satisfactory to the Authority of the Performance Bond's renewability, at least ninety (90) days before the Performance Bond then in effect expires. The Performance Bond shall be in the form set forth in Exhibit C-1 to this Contract, or such other form as is acceptable to the Authority.

6.5 Confidential Business Records. The Contractor may designate certain of its documents as confidential business records; documents reasonably designated as such shall remain the exclusive property of the Contractor. For purposes of this Section "confidential business records" means all trade secrets, proprietary plans, financial data, third party invoices and the ideas and information contained therein, that Contractor makes available to the Authority for purposes of this Contract. If documents are designated as confidential business records, they shall be inspected by an independent accountant or other third party designated by the Authority and approved by the Contractor (which approval shall not be unreasonably withheld). The third party selected shall determine whether the documents are relevant to the Contractor's compliance with applicable law. If the third party determines that the documents are relevant, then the Authority may inspect the documents. For documents that contain both relevant and irrelevant information, the third party may delete any irrelevant information. Except as required by law or as otherwise authorized by Contractor, the Authority shall not use the information contained in documents or knowingly permit any Person to examine documents designated as confidential business records unless that Person is an employee, consultant, attorney or other agent of the Authority examining those documents for purposes of this Contract. It is the understanding of the parties that any documents within the possession of Authority are public records subject to, or exempt from disclosure, as the case may be, under the Public Records Act (California Government Code sections 6250 et seq.). Authority agrees to not waive any statutory exemptions from disclosure available for such documents under the Public Records Act. If required by law to disclose documents designated as confidential business records, the Authority shall, if possible, notify the Contractor before that disclosure.

6.6 Permits, Licenses, etc.. Except as otherwise provided in Section 7.3 of this Contract, the Contractor shall obtain, maintain and pay for, at Contractor's sole expense, all permits, licenses and approvals required by federal, state and local law for its operations and activities under this Contract. Contractor shall file with Authority a list of all such permits, licenses and approvals designating the issuing agency, the dates of issuance, the expiration of those permits, and shall file a copy of all current permits.

The Contractor shall be solely liable for all fines or civil penalties that may be imposed by any regulatory agency for Contractor-caused violations of permits, laws, or regulations; the Authority shall not be liable for and shall not reimburse Contractor for payment of those fines or civil penalties. The Contractor reserves the right to contest any fine in an administrative proceeding or in court prior to its payment.

6.7 Taxes and Fees. The Contractor shall be responsible and liable for payment of

all federal, state and local taxes and fees, and surcharges of every form, that apply to any and all Persons, property, income, equipment, materials, supplies, structures, or activities that are involved in the performance of this Contract, including but not limited to, any income taxes, real property, excise, sales and use taxes, business and occupation taxes and fees that arise in connection with the Contract; however, the Contractor shall not be responsible or liable for payment of any tax or fee for which the Authority is ordinarily responsible without regard to the services provided by the Contractor under this Contract. The extent to which the Contractor is permitted to adjust the Service Fee(s) for cost increases in the rates of taxes, fees, or surcharges, if at all, is set forth in Articles 8 and 9.

6.8 Property. The Contractor has acquired sufficient property rights to the Disposal Site to satisfy its obligations herein. The Contractor agrees to promptly remove or have removed any liens or encumbrances that, because of any act or default of Contractor, its officers, employees, or agents, or of Contractor's subcontractors or sub-subcontractors, or material suppliers, or equipment owners are filed against the Disposal Site. The Contractor reserves the right to contest liens prior to their payment.

6.9 Closure and Post-closure Fund. The Contractor shall be responsible for all closure and post-closure costs relating to the Disposal Site. The Contractor shall establish and maintain at its sole expense any closure and post-closure trust fund now or hereafter required under any applicable federal, state, or local law or regulation.

6.10 Records; Reports. Within fourteen (14) days of receiving notice of any complaint, appeal, or other judicial or administrative action filed against the Disposal Site, Contractor shall notify the Authority of the same; provided, however, that such notice is not required for actions in the nature of liens or other claims for payment.

The Contractor shall keep accurate records of all transactions connected with this Contract including, but not limited to, all correspondence and invoices, transaction tickets, or receipts issued at the Transfer Facility or the Disposal Site. The Contractor shall at all times maintain an accounting system acceptable to the Authority's Auditor-Controller that uses generally accepted accounting principles for all services rendered and materials supplied, including additional and deleted work, in connection with this Contract.

The Contractor shall provide to the Authority, monthly or at such other interval as required by the Transfer Facility's solid waste facility permit, a report for the preceding reporting period summarizing routine and extraordinary activities during the prior reporting period and plans and schedules for future activities. The report shall include, but not be limited to:

- (a) the tonnage by type of waste accepted at the Transfer Facility;
- (b) any extraordinary occurrences affecting the Contractor's performance, including but not limited to, occurrences affecting the Transfer Facility, Disposal Site and Vehicles;
- (c) documentation regarding Unacceptable Waste, if any, gathered, produced

and/or retained as required in Article 10;

(d) condition of Disposal Site;

(e) a summary of the tonnage of and identification by type of recyclable materials accepted at the Transfer Facility and the amount of each material sold or marketed that quarter; and

(f) a rail transportation summary, including the number of unit trains dispatched with Transfer Facility Waste and the average, shortest, and longest time filled Containers wait at Lombard Station.

In addition to the report required under this Section 6.10, Contractor shall provide to the Authority within forty-five (45) days (or such other period as may be required by the Transfer Facility's solid waste facility permit) of the end of any year of operations under the Contract an annual report summarizing and consolidating the information contained in the reports provided for the preceding year.

6.11 Accidents; Complaints. The Contractor shall be responsible for all injuries, accidents and other mishaps associated with its operations that are not caused by the negligence of the Authority. The Contractor shall report any accidents resulting from the performance of this Contract to the Authority as soon as practicable by telephone or messenger. For purposes of this Section, "accident" shall include the death of any person, any personal injury resulting in inpatient hospitalization or out-patient treatment by a physician, or damage to any real or personal property exceeding \$10,000. The Contractor shall report, in writing, to the Authority, within seven (7) days of that accident, complete details of the accident, including witness statements.

The Contractor shall respond in a reasonable manner to complaints, charges and allegations related to Contractor's performance under the Contract within thirty (30) days of receipt of that complaint, charge, or allegation, including but not limited to, those complaints made or actions brought by citizens, citizen groups and public agencies. The Contractor shall report, in writing, to the Authority, within seven (7) days of the complaint, complete details of the complaint, including the nature of the response.

6.12 Payment of Subcontractors and Agents. Unless a reasonable dispute exists concerning payment, the Contractor shall promptly pay all subcontractors, materialmen, suppliers, or laborers engaged for purposes of this Contract in accordance with the contract or agreement between that Person and the Contractor.

6.13 Nondiscrimination in Employment; Re-employment Opportunities for Former Landfill Employees.

(a) The Contractor shall not discriminate against any employee or applicant for employment because of race, religion, creed, color, sex, marital status, national origin, age or the presence of any sensory, mental, or physical handicap, unless based upon a bona fide occupational qualification. The Contractor shall take action to ensure that applicants are

employed, and that employees are treated during employment, without regard to their creed, religion, race, color, sex, marital status, national origin, age or the presence of any sensory, mental, or physical handicap. This Section shall apply to, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. The Contractor agrees to post, in conspicuous places, available to employees and other applicants for employment, notices setting forth the provisions of this nondiscrimination Section. The Contractor will, prior to commencement and during the term of this Agreement, furnish the Director or his or her designee, upon request and on such forms as may be provided by the Director therefor, a report of the action taken by the Contractor in implementing the terms of this provision, and will permit access by the Director or his or her designee to the Contractor's records of employment, employment advertisements, application forms, other pertinent data and records for the purpose of investigation to determine compliance with this provision.

(b) Recognizing that the handling of Waste in the California regulatory environment involves skill and knowledge in addition to those skills normally required for the operation of the equipment involved, and recognizing further that the employees of the American Canyon Sanitary Landfill whose closure makes the Transfer Facility necessary constitute an important pool of such skill and knowledge which it is in the public interest to retain within the Service Area if possible, the Authority and Contractor agree that Contractor shall use reasonable efforts to include, where relevant, such skill and knowledge among the criteria for employment at the Transfer Facility, and to inform and offer employment, for as many positions as the Contractor has available at the Transfer Facility, to the employees presently employed at the American Canyon Sanitary Landfill who become unemployed as a result of that landfill's closure, who file application for said jobs and who otherwise meet all performance criteria required of other candidates for the same position.

6.14 Compliance with Laws and Regulations.

(a) In general. Contractor agrees that, in the operation of the Project and the performance of services under this Contract, Contractor will qualify under, and comply with, any and all federal, state and local laws and regulations now in force and which may hereafter during the term of this Contract, be enacted and become effective, which are applicable to Contractor, its employees, agents or subcontractors, if any, concerning the operation of the Transfer Facility; provided, however, Contractor shall have the right to contest in good faith the application of such law or regulation to the Disposal Facility or any other services to be supplied under this Contract and Contractor shall not be deemed in breach of this Contract during such good faith contest for failure to comply, except as provided in this Contract.

(b) Handicap Accessibility. Contractor agrees that, in the operation of the Transfer Facility and the performance services under this Contract at said Facility, Contractor shall comply with all applicable provisions of federal and state laws and regulations, including but limited to the Americans with Disabilities Act, Public Law 101-336, as such may be amended from time to time pertaining to reasonable accessibility of the Transfer Facility and its services to persons with disabilities.

(c) Prevailing Wages and Other Labor Code Requirements.

(i) In general. Authority and Contractor mutually agree that, while it is the opinion of both parties that California prevailing wage requirements do not apply as a matter of statutory mandate since the services to be provided hereunder do not constitute a "public work" as that term is defined in the California Labor Code, Authority believes and Contractor concurs, that it is nonetheless in the public interest within the Service Area to incorporate such provisions into this Contract as provided in this subsection for work done at the Transfer Facility.

(ii) Determination of Prevailing Wage Rates. Pursuant to provisions of Section 1773 of the Labor Code of the State of California, the Authority has obtained and shall obtain in updated form, throughout the term of this Contract and when available from the California Department of Industrial Relation the general prevailing rate of wages (which rate includes employer payments for health and welfare, pension, vacation, travel time, and subsistence pay as provided for in Section 1773.8 of said Code, apprenticeship or other training programs authorized by Section 3093 of said Code, and similar purposes) applicable to the work to be done at the Transfer Facility, for straight time, overtime, Saturday, Sunday, and holiday work. The holiday wage rate listed shall be applicable to all holidays recognized by the County of Napa for its employees. Contractor shall also make travel and subsistence payments to each workman, needed to execute the work, to the extent set forth in said Labor Code section 1773.8.

(iii) Posting of Wage Rates. The applicable prevailing wage rates shall be maintained on file with the Authority and may be viewed at the Napa County Department of Environmental Management, Room 101, 1195 Third Street, Napa, California 94559. As provided in Labor Code section 1773.2, the wage rates shall also be posted by Contractor on at a prominent place located in and may be viewed during business hours at the offices of the Transfer Facility.

(iv) Penalties.

(1) Wage Rate Noncompliance. Contractor shall comply, and shall require any of its subcontractors performing work at the Transfer Facility to comply, with Labor Code Sections 1774 and 1775 regarding the payment of prevailing wages. Pursuant to Section 1775 the Contractor shall forfeit to Authority a penalty (which shall be withheld from the Service Fee) of not more than fifty dollars (\$50) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates, as determined by the Director of Industrial Relations for the State of California for the work or craft in which the worker is employed by Contractor or its subcontractor to provide any of the services which Contractor is required under this Contract to provide within the State of California, in violation of the provisions of the Labor Code and in particular Labor Code sections 1770 to 1780, inclusive. The amount of this forfeiture shall be determined by the Labor Commissioner for the State of California or, if the Labor Commissioner declines to make such determination, by the Board of Directors for the Authority, and shall be based upon consideration of Contractor's or the subcontractor's mistake, inadvertence, or neglect in failing to pay the correct rate of prevailing wages, or Contractor's failure to pay the correct rate of prevailing wages. A mistake, inadvertence or neglect in failing to pay the correct rate of prevailing wages shall not be excused for alleged lack of knowledge

of the obligations to do so inasmuch as this Contract is deemed by the parties hereto to give Contractor and all of its subcontractors at the Transfer Facility constructive knowledge of such requirements and rates. In addition to said penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by Contractor.

(2) Payroll Record Noncompliance. In the event of noncompliance with subsection (v)(1) and (2), below, pertaining to payroll records, Contractor shall have ten (10) days in which to comply subsequent to written notice from Authority or the aforesaid Divisions specifying the nature of the non-compliance and what must be done to achieve compliance. Should noncompliance still be evident after the ten (10) day period, Contractor shall, as penalty to the Authority, forfeit twenty-five dollars (\$25) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. These penalties shall be withheld from the Service Fee otherwise due to Contractor. In the event Contractor fails to comply with subsection (v)(3) by the 15th of the calendar month succeeding the month during which the copy of the payroll record is due to be forwarded to the Manager, Authority may retain an amount equal to 10% of the Transfer Station Facility Operation component of the Service Fee due for that month, except that such retention shall not exceed \$10,000 nor be less than \$1,000. Retentions for failure to submit satisfactory payrolls shall be additional to all other retentions provided for in this Contract. The retention for failure to submit payrolls for any monthly period shall be released for payment along with the next Service Fee following the date that all satisfactory payrolls for which the retention was made are submitted.

(3) Suits to recover penalties and forfeitures. Contractor agrees and acknowledges that, notwithstanding anything else in this Contract, in accordance with Sections 1730 through 1733 of the California Labor Code, a suit on the Contract for alleged breach thereof in not paying amounts withheld from payment under this subsection is the exclusive remedy of Contractor or its assignees with reference to amounts withheld for such penalties or forfeitures; and that such suit must be commenced and actual notice thereof received by the Authority prior to 90 days after the date of the withholding. Submission of a claim for the amounts withheld from payment shall not be a prerequisite for such suits.

(v) Payroll records.

(1) In general. Contractor shall maintain payroll records in accordance with California Labor Code section 1776 and implementing regulations located in Sections 16016 through 16019 and Section 16207.10 through 16207.19 of Title 8 of the California Code of Regulations and require any of its subcontractors providing workers at the Transfer Facility to do likewise. In particular, Contractor and each subcontractor shall keep on file for at least four years following the date of any payment, an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by Contractor or such subcontractor to provide services or work at the Transfer Facility.

(2) Inspection. These payroll records shall be certified and

available for inspection at all reasonable hours in the offices of the Transfer Facility, with a certified copy of each employee's payroll record furnished on request to the employee or his authorized representative, the Manager or his authorized representative, and the Divisions of Labor Standards Enforcement and Apprenticeship Standards of the Department of Industrial Relations of the State of California. A certified copy of all payroll records shall be made available for inspection or, upon payment of copy preparation costs, to the public as long as the request therefor is made through the Authority, Contractor, or (if the records are in their possession) the foregoing Divisions of the Department of Industrial Relations. All copies requested under this subsection shall be provided within ten (10) days of receipt of a written request. Any records made available to the public for inspection or as copies shall be marked or temporarily obliterated in such a manner as to prevent disclosure of an individual employee's name, address and social security number. The name or address of the Contractor or subcontractor shall not be obliterated.

(3) Manager's Copy/Statement of Compliance. A copy of all payrolls shall also be submitted weekly or, if the workers are paid on a biweekly or longer basis, shall be submitted at the shortest interval at which payments are made to any worker, to the Authority Manager. This copy shall contain each employee's full name and classification, address (only on the first payroll on which the employee's name appears), social security number, rate of pay, daily and weekly number of hours worked, itemized deductions made and actual wages paid. It shall also indicate apprentices and the ratio of apprentices to journeymen. This copy of the payroll shall be accompanied by a "Statement of Compliance" signed by the employing Contractor or subcontractor indicating that the payrolls are correct and complete and that the wage rates contained therein are not less than those required by the Contract. The Statement of Compliance shall be on forms furnished by the California Department of Industrial Relations or on any form with identical wording. Contractor shall be responsible for the submission of copies of payrolls of all subcontractors.

(vi) Apprentices. Contractor shall comply with Sections 1777.5, 1777.6 and 1777.7 of the California Labor Code and Title 8, California Code of Regulations Section 200 et seq., pertaining to employment and training of apprentices.

(vii) Exemptions. The foregoing requirements to pay prevailing wages shall not apply to those employees who are designated in writing by Contractor and the Manager of the Authority to hold management positions at the Transfer Facility.

6.15 Scheduling; Management; Quality of Performance. The Contractor shall coordinate, schedule in an orderly manner and manage all work done by Contractor's officers, employees, subcontractors. The Contractors and subcontractors shall perform every act or service under this Contract in a skillful and competent manner in accordance with the standards of the Waste transportation and disposal industries. The Contractor shall be responsible to the Authority for any errors, deficiencies, or failures to perform under this Contract. All workers and subcontractors shall be skilled in their trades. All operators shall be licensed or otherwise qualified as required by law. The Contractor shall, at all times, enforce strict discipline and good order among its employees and all subcontractors.

6.16 Representations and Warranties of the Contractor. The Contractor makes the

following representations and warranties to and for the benefit of the Authority:

(a) The Contractor is duly organized and validly existing as a joint venture operating under the Washington Partnership Act (RCW) in good standing under the laws of the State of Washington and prior to the commencement of services under this Contract will be duly qualified to do business in the State of California.

(b) The Contractor has full legal right, power and authority to execute and deliver, and perform its obligations under this Contract, and has duly authorized the execution and delivery of this Contract. This Contract has been duly executed and delivered by the Contractor and constitutes a legal, valid and binding obligation of the Contractor enforceable against the Contractor in accordance with its terms.

(c) Neither the execution or delivery by the Contractor of this Contract, the performance by the Contractor of its obligations hereunder, nor the fulfillment by the Contractor of the terms and conditions hereof: (i) conflicts with, violates or results in a breach of any applicable law; or (ii) conflicts with, violates or results in a breach of any term or condition of any judgment, order or decree of any court, administrative agency or other governmental authority, or to the best of Contractor's knowledge, any agreement or instrument, to which the Contractor is a party or by which the Contractor or any of its properties or assets are bound, or constitutes a default thereunder.

(d) No approval, authorization, license, permit, order or consent of, or declaration, registration or filing with, any governmental or administrative authority, commission, board, agency or instrumentality is required for the valid execution and delivery of this Contract by the Contractor, except such as has been duly obtained or made or such as the Contractor has given the Authority adequate assurance, that it will be obtained or made before the commencement of services by the Contractor under this Contract.

(e) The Contractor holds, or is expressly licensed to use, all patents, rights, licenses, and franchises necessary or appropriate to operate and maintain the Transfer Facility, Disposal Site and Vehicles pursuant to and in accordance with the terms of the Contract.

(f) There has been no material adverse change in the Contractor's financial condition since the date of the financial statement submitted by the Contractor in response to the Authority's RFP.

(g) Unless otherwise approved by the Authority in writing, as of the date of this Contract there shall not be any action, suit, proceeding or, to the best of the Contractor's knowledge, investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency or instrumentality pending or, to the best of the Contractor's knowledge, threatened, against the Contractor, wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by the Contractor of its obligations hereunder or which, in any way, would adversely affect the validity or enforceability of this Contract or any other agreement or instrument entered into by the Contractor in connection with this Contract.

6.17 Emergency Plans.

(a) Emergency Operations Plan. The Contractor will provide to the Authority no later than thirty (30) days prior to the commencement of services under this Contract a written comprehensive emergency operations plan designed to mitigate and correct hazards that may arise due to accidents or disruption of operation of the Transfer Facility or the Transportation and Disposal of Acceptable Waste under this Contract, including, but not limited to: damage to property, the interruption of traffic along Transportation routes, release of hazardous or dangerous materials and the release of any Acceptable Waste. The emergency operations plan shall be updated and submitted for Authority approval on an annual basis.

(b) Emergency Response Business Plan. Contractor shall, in accordance with Article 1 of Chapter 6.95 of Division 20 of the California Health and Safety Code (commencing with Section 25500), maintain on file with the Administering Agency for the County of Napa any business plan for emergency response to release or threatened release of hazardous material and any annual inventory of hazardous substances located at the Transfer Facility or otherwise within the County of Napa in connection with the services to be provided by Contractor under this Contract. For purposes of this subsection, at the time of execution of this Contract, the Napa County Department of Environmental Management, Room 101, County Administration Building, 1195 Third Street, Napa, California 94559.

6.18. Containers.

(a) Average Load Weight Goal. The Contractor shall use its reasonable efforts to obtain an average Load per Container of no less than thirty-four (34) tons, in accordance with the Loading Protocol established as provided in (b). Demonstration that the Contractor is adhering to and complying with the Loading Protocol shall be conclusive evidence that the Contractor is using reasonable best efforts to achieve maximum weight loads.

(b) Loading Protocol. Contractor is required by Section 2.3.4 of the Specifications to formulate a Transfer Station (Transfer Facility) Operating Plan. As part of that plan written procedures (the "Loading Protocol") shall be established for Loading and Compaction Operations. In that regard, Authority shall provide the manufacturer's recommended operating procedures to the Contractor for the compactor provided. Prior to commencement of the start-up period identified in the Specifications, Contractor shall use the manufacturer's recommended operating procedures to develop a written step-by-step process for preparing and compacting loads (the "Loading Protocol"). This process may include settings and adjustments for the compactor. Contractor shall provide the Loading Protocol to the Authority for approval and obtain confirmation from the compactor and container manufacturers that the Loading Protocol is the best reasonable method to achieve maximum load weights consistently over the useful life of the Compactor and Containers. Once approved by the Authority, the Loading Protocol shall be used by the Contractor and incorporated into the Transfer Station Operating Plan as required by Section 2.3.4 of the Specifications.

ARTICLE 7

Authority's Responsibilities

7.1 General. The Authority's responsibilities under this Contract include, but are not limited to:

(a) Establishing the Transfer Fee, and adjusting it from time to time as necessary to ensure the payments to the Contractor of the Service Fee in accordance with this Contract;

(b) Preparation of non-binding estimates for the succeeding four quarters of the Contract of the range of Waste the Authority expects to be delivered during these quarters.

7.2 Waste Flow; Flow Control. The Authority shall, to the extent permitted by law, use its best efforts to cause all Acceptable Waste originating in the Service Area, as to which Authority has flow control, and not diverted by legal self-disposal or a Waste Reduction Program, to be delivered to the Transfer Facility. The Authority has enacted and shall maintain, enforce and enter into all necessary contracts and agreements to carry out the requirements of this Section.

7.3 Permits, Licenses, etc. The Authority shall obtain, maintain and pay for, at Authority's sole expense, all permits, licenses and approvals required by law for the Transfer Facility, except for any filings or approvals required under Section 6.17. The Authority shall be liable for all fines or civil penalties that may be imposed by any regulatory agency for failure to obtain any permits, licenses or approvals for the Transfer Facility.

7.4 Cooperation with Contractor. The Authority shall use its best efforts to cooperate with the Contractor and to respond to the Contractor's reasonable requests for information and assistance, consistent with the provisions of this Contract.

7.5 Insurance for Transfer Facility. During the term of this Contract, the Authority shall obtain and maintain in full force and effect, from responsible insurers authorized to do business within the State of California, insurance against accident to, loss of or damage to the Transfer Facility, including, without limitation, "all-risk" hazard insurance, including fire, flood, and earthquake coverage, in an amount equal to not less than 100% of the replacement cost of the Transfer Facility, plus business interruption insurance in an amount equal to the Maximum Annual Debt Service of any revenue bonds issued in connection with the acquisition and construction of the Transfer Facility. If any useful part of the Transfer Facility shall be damaged or destroyed, Authority shall arrange for the restoration, if such is possible at reasonable cost, of such portion within a reasonable time. All amounts collected from insurance against accident to or destruction of any portion of the Transfer Facility shall be used to (i) repair or rebuild such damaged or destroyed portion of the Transfer Facility or, if such is not possible or permissible, to redeem any revenue bonds which may have been issued. The Authority shall provide the Contractor with a certificate or certificates showing that the Authority has in force the above insurance. Such insurance shall not be cancelable without thirty (30) days' prior written notice to the Contractor. If the Authority fails to maintain any of the above

insurance coverage, the Authority shall be liable for any loss or cost resulting from said failure in addition to any other rights and remedies of the Contractor under this Contract.

ARTICLE 8

Service Fees and Contractor Compensation

8.1 Base Service Fee. For the Contractor's performance of its obligations under this Contract it shall be entitled to a Service Fee as set forth in this Article. The Service Fee consists of three separate components listed below.

The Service Fee, subject to the adjustments provided in this Article shall equal the sum of the appropriate Service Fee components as shown:

(a)	Transfer Facility Operation:	\$ 8.31 per ton
(b)	Transportation:	\$25.12 per ton
(c)	Disposal:	\$18.95 per ton
Total:		<u>\$52.38 per ton</u>

8.2 Adjustment of Transportation Cost. The Transportation cost set forth in Section 8.1 is predicated on Contractor obtaining Loads averaging thirty-four (34) tons per Container. On a monthly basis the Contractor shall determine the average Load per Container for the preceding month. If the average Load per Container for the preceding month is thirty-four (34) tons or more, no adjustment to the Service Fee component for Transportation shall be made for the preceding month. If the average Load per Container for the preceding month is less than thirty-four (34) tons, the Service Fee component for Transportation for the preceding month year shall be increased as set forth below:

Load averaging 32 tons or more but less than 34 tons pr Container	\$26.66
Loads averaging 30 tons or more but less than 32 tons per Container	\$28.42
Loads averaging 28 tons or more but less than 30 tons per Container	\$29.36

If the Contractor is able to obtain Loads per Container in excess of 34 tons per Container and is able to legally transport such Loads, then Contractor and Authority shall negotiate in good faith a downward adjustment to the Transportation component of the Service Fee. If the Authority believes that the Contractor's failure to obtain average Loads of at least thirty-four (34) tons is due to Contractor's failure to comply with the Loading Protocol established in accordance with Section 6.18(b) of this Contract, then such dispute shall be resolved by arbitration in accordance with Article 16.

8.3 CPI Adjustment for Service Fee Components. Recognizing that the Authority will be setting user rates for the Transfer Facility on or before July 1 of each year, to be effective on October 1 of the same calendar year, the annual price escalation adjustment for each Service Fee component effective October 1, 1995 and on October 1 of each subsequent year shall be as follows:

(a) The CPI for the December preceding the beginning of each calendar year in which the escalation will be effective shall be compared with the CPI for the previous December, to calculate the fractional change in CPI over twelve (12) months. This fractional change will be multiplied by 0.85 to calculate the Contract Adjustment. The previous year's Service Fee Components will then be increased by the Contract Adjustment percentage. These calculations are mathematically as follows:

Let N be the year for which the Service Fee is being calculated.

Let $CPI_{(N-1)}$ be the CPI for the December prior to year N.

Let $CPI_{(N-2)}$ be the CPI for the December two years prior to year N.

Fractional CPI Change = $(CPI_{(N-1)} - CPI_{(N-2)}) / CPI_{(N-2)}$

Contract Adjustment = Fractional CPI Change X 0.85

Service fee Component(N) = $(1 + \text{Contract Adjustment}) \times$
Service Fee Component_(N-1)

(b) In the event of a correction to a CPI, the adjusted Service Fee components shall be recalculated using the corrected CPI; however, there will be no recalculation of adjusted Service Fee components for corrections to CPI that occur after the month during which the uncorrected annual adjustment based upon CPI has been in effect.

(c) In the event that the standard reference base period of the CPI is changed, the annual adjustment shall reflect the new base period in the first calendar year the new base period is available.

8.4 Other Service Fee Increases.

(a) Acceptable Increases. The Contractor may, after obtaining the Authority's approval, which approval may not be unreasonably withheld, increase Service Fees by one hundred percent of the Contractor's reasonable actual increased costs of performing the Project due to the events described below:

(i) Uncontrollable Circumstances. Service Fee components shall be increased for Uncontrollable Circumstances only to the extent permitted under Article 9.

(ii) Change in Laws. Service Fee components shall be increased to reflect the cost of Contractor's compliance with a Change in Law. Except as provided in

subsection 8.4(a)(iii), below, no increase is permitted to reflect the cost of Contractor's compliance with changes in county (except Napa County) law applicable only to the Contractor or other entities operating landfills in the same county as the Disposal Site. Contractor requests for increases in the Service Fee components due to a Change in Laws shall be submitted to the Authority at least ninety (90) days prior to the end of Authority's fiscal year.

(iii) Change in Certain Taxes, Fees, or Surcharges. Subject to the limitations and conditions of Article 9, Service Fee components may be increased for the imposition of or increases in the rates of federal, state, county, or Authority taxes, fees (including State/Local Solid Waste Handling Fees) or surcharges applicable to all businesses or to Persons engaged in the solid waste management industry; however, Service Fee components may not be increased for the imposition of or increase in county (except Napa County) taxes, fees (including State/Local Solid Waste Handling Fees) or surcharges imposed by the county in which the Disposal Site is located.

(iv) Additional Work. Service Fee components may be increased for additional work performed that has been authorized by the Authority in accordance with Article 14.

(b) General Conditions and Limitations on Service Fee Increases. Service Fee components may be increased under Section 8.4(a) only for reasonable costs that are actually incurred, net of any available insurance proceeds. No Service Fee increases shall be allowed for any cost increases that are in any way attributable to conditions, structures, operations, or activities caused by the Contractor or its subcontractors, employees, agents, or servants, or are otherwise within Contractor's control.

The Contractor must fully demonstrate and document the need for the requested Service Fee increase to the Authority's reasonable satisfaction as a condition precedent to the Contractor's right to any Service Fee increase under this Section.

(c) Cancellation of Service Fee Increases. On the Authority's request, Contractor shall immediately provide the Authority with all documents, information, or other evidence in the Contractor's possession or control that the Authority requests to determine whether there is a continuing need for the Service Fee increase. The Authority may at any time cancel any Service Fee increase made under this Article upon good cause. The Contractor shall reduce the Service Fee accordingly within thirty (30) days of the date the Authority notifies the Contractor of the Authority's determination that the need for the increase has expired or that the original increase was made in error. The Contractor shall at all times keep the Authority informed as to whether any increase remains necessary.

8.5 Service Fee Decreases.

(a) Acceptable Reductions. Subject to the provisions of this Article, the Contractor shall reduce the Service Fee one hundred percent of any reduction in Contractor's cost of performance under the Contract if the reduced costs are attributable to one or more of the following:

(i) One hundred per cent of any reduction in Contractor's cost of performance attributable to the deletion of work pursuant to Section 14.3 of this Contract;

(ii) One hundred percent of the reduced costs of Contractor's performance under the Contract if the reduced costs are attributable to a condition or event for which the Contractor is entitled to reimbursement of increased costs under this Contract;

(iii) The Authority shall reduce the Service Fee by an amount sufficient to reimburse the Authority for any insurance obtained by the Authority in accordance with Section 12.4 of the Contract.

(iv) The Authority may pay and deduct from the Service Fee due the Contractor the amount necessary to satisfy any lien filed against any real or personal property which individually or in the aggregate is material to the performance of the Contract including without limitation any federal or State tax lien, creditor's lien, mechanics or materialmen's lien.

(b) Notice. The Authority shall serve the Contractor with notice and explanation of the Authority's request that the Contractor reduce Service Fees. Within thirty (30) days of service of that notice, the Contractor shall respond in writing to the Authority. The written response shall state whether or not the Contractor believes that any reduction in the Service Fee is justified and shall itemize any reduction in cost of performing the Contract. The Contractor shall fully document and otherwise support its response to the Authority's notice under this Section.

(c) Cancellation of Reductions. Upon petition of the Contractor, the Authority may at any time cancel reductions made under this Section if the Authority determines that the need for the reduction has expired or that a reduction was made in error. The Contractor shall at all times keep the Authority informed as to when any reduction is appropriate and when any reduction is no longer appropriate.

8.6 Payment to Authority.

(a) Designated Hauler. No later than the fifteenth day of each month, Contractor shall bill each Designated Hauler, or such other Person as may be designated by the Authority, for the amount of Transfer Fees incurred by such Designated Hauler during the preceding calendar month. Contractor shall provide Authority copies of all such bills. The bills shall itemize Transfer Fees by date, delivered load, other fees or charges authorized by this Contract (for example, fees assessed for handling any Unacceptable Waste discovered in the delivered load), and other information as Authority may instruct in writing from time to time. The bill shall direct payment in accordance with Authority's written instructions to Contractor. If such instructions direct that payment of such bills shall be made to Contractor, Contractor shall remit all amounts collected to Authority in accordance with procedures designated in writing by the Authority's Auditor-Controller and Contractor shall be responsible for collecting all such accounts which become delinquent. If such instructions direct that payment of such bills shall be made directly to Authority, Authority shall be responsible for collecting any such accounts which become delinquent.

(b) Other Haulers. Contractor shall collect Transfer Fees, at the time of Waste deposit, from all Persons other than a Designated Hauler who deposit Waste at the Transfer Facility, and shall remit to Authority in accordance with Authority's written instructions to Contractor all Transfer Fees so collected.

(c) Payment of Service Fees. On a monthly basis, Contractor shall submit to the Authority a statement of Service Fees due and owing for the preceding month. Authority shall pay Contractor the Service Fee within fifteen (15) business days of Contractor's submittal of its statement. The statement shall be in a form as may be mutually agreed.

(d) Billing Schedule Adjustment. The parties may from time to time and by mutual consent expressed in writing change the frequency of statements required by this Section 8.6.

(e) The Contractor shall provide to the Authority, by the twenty-fifth day of each month, a statement in a format acceptable to the Authority and accompanied by supporting documentation as required by the Authority detailing Transfer Fees collected by the Contractor under this Contract in the preceding month.

(f) All unresolved disputes concerning the calculation of or adjustment to payments based upon the Transfer Fee, Service Fees or Service Fee components shall be resolved by arbitration in accordance with Article 16. However, the undisputed portion of the adjustment shall be made effective promptly; further adjustment shall be made effective upon the resolution of the dispute under Article 16. In addition to any portion of the disputed adjustment ultimately awarded, the arbitrator may also award to the Contractor or the Authority interest on the disputed amount from the date the Transfer Fee, Service Fee or Authority Fee adjustment was effective. The interest rate shall be determined by the arbitrator and interest award paid within a period determined by the arbitrator, but in no event later than twelve months from the effective date of the Transfer Fee, Service Fee or Authority Fee adjustment. The interest award may be made by means of a further increase or decrease in the Service Fee payable to the Contractor.

ARTICLE 9

Allocation of Risk; Uncontrollable Circumstances

9.1 Contractor Reliance. The Contractor warrants that prior to submitting its response to the RFP and entering this Contract, it has examined carefully and acquainted itself with:

- (a) all Contract documents
- (b) Request for Proposals;
- (c) Specifications;
- (d) the Project;

- (e) the Transfer Facility; and
- (f) all applicable federal, state and local laws, regulations, ordinances, codes and rules; and
- (g) any and all other matters necessary to the performance of this Contract.

9.2 Uncontrollable Circumstances.

(a) Uncontrollable Circumstances Limited. The Contractor's obligations to operate the Transfer Facility and to provide Transportation and Disposal services and the Authority's obligations hereunder are subject to Uncontrollable Circumstances that necessarily and unavoidably prevent performance of any component of the Project.

(b) Notification. The party with knowledge of the occurrence of an Uncontrollable Circumstance shall notify the other of the event and its effect on the Project promptly, but in no case more than twenty-four (24) hours after the discovery of the event. Notice shall again be given when the effect of the occurrence of an Uncontrollable Circumstance has ceased.

(c) Alternative Service Arrangement. Notwithstanding the provisions of Section 9.2(a), in the event that Contractor fails or is unable to provide the services which it has agreed to perform under this Contract because of an Uncontrollable Circumstance, Contractor shall use its reasonable business efforts to make available to Authority feasible alternative arrangements for the delivery, handling, Transportation and Disposal of Waste, at the prevailing fees then in effect for the majority of waste delivered, handled, Transported and/or Disposed at such alternative site or location, for the period during which such event continues. Failure of Contractor to secure alternative arrangements as provided in this Section shall not be deemed a breach of this Contract, provided that Contractor has exercised good faith efforts to make such alternative arrangements. Authority has the right to make such alternative arrangements independent of Contractor.

9.3 Insurable Uncontrollable Circumstances. If any of the equipment at the Transfer Facility, the Vehicles or the Disposal Site are damaged or destroyed due to explosion, floods, fire, or other events for which the Contractor is obligated to carry insurance pursuant to Article 12, the Contractor shall act diligently to promptly collect and apply insurance proceeds to the correction or reconstruction of the equipment, Vehicles or Disposal Site.

9.4 Termination of Contract. Subject to the provisions of Article 9, if an Uncontrollable Circumstance occurs and prevents the Authority or the Contractor from performing the Contract for a period in excess of ninety (90) days (except for an increase in or imposition of a State/Local Solid Waste Handling Fee enacted by the Authority or a change in Authority law that makes performance impossible), then each Contractor and Authority shall have the right, in its sole discretion, to terminate this Contract.

ARTICLE 10

Ownership; Inspection of Waste; Unacceptable Waste

10.1 Ownership. Subject to the limitations and conditions of this Article, title to Waste that is Loaded into a Container or Transfer Trailer shall pass to the Contractor upon completion of Loading of such Waste.

10.2 Transfer Facility Inspection Program. The Contractor shall establish and maintain a program of operating and monitoring procedures for the Transfer Facility to prevent the Loading of Unacceptable Waste into the Containers or Transfer Trailers. Operators at the Transfer Facility shall be instructed and trained to implement the program.

10.3 Waste Inspection at Transfer Facility; Handling of Suspected Unacceptable Waste. The Contractor may inspect the contents of all waste delivered to the Transfer Facility under this Contract. The Authority may, at its sole discretion and cost, inspect any waste delivered to the Transfer Facility under this Contract.

If the Contractor discovers Unacceptable Waste or waste that the Contractor suspects is Unacceptable Waste (hereinafter referred to as "Suspect Waste") in a load delivered to the Transfer Facility, the Contractor shall:

(a) notify the Authority and the appropriate agencies of the discovery, if necessary, as soon as is reasonable practicable.

(b) gather, preserve, maintain and make available to the Authority all evidence regarding the Suspect Waste, including without limitation, the origin of the vehicle containing the Suspect Waste, the time the Suspect Waste was delivered to the Transfer Facility, any photographs of the Suspect Waste taken that might establish that the waste is Unacceptable Waste, samples of the waste that may demonstrate the origin of the Suspect Waste, laboratory results (if any), any statements or documentation provided by federal, state, or local authorities;

(c) test or arrange to have tested, at the Contractor's own expense, the Suspect Waste to ascertain whether that Waste is Unacceptable Waste;

(d) permit the Authority to inspect that Suspect Waste within 72 hours of notice by the Contractor to the Authority of the existence of that Suspect Waste, test the Suspect Waste within a reasonable period of time and examine all other evidence gathered by the Contractor under Section 10.3(b), above, at any time after the discovery of that Suspect Waste; for purposes of any inspection conducted pursuant to this Section, the Authority shall have unrestricted access to the Transfer Facility and/or any other site or facility at which the Suspect Waste is located; and

(e) dispose of the Suspect Waste and seek reimbursement from (i) the person delivering the waste to the Transfer Facility, or (ii) if the Contractor using reasonable diligence is unable to ascertain the responsible party, from the Authority for the actual reasonable cost of that disposal in accordance with Section 10.4.

10.4 Liability for Testing, Inspecting, Handling and/or Disposing of Unacceptable Waste. If, after inspecting and/or testing the Suspect Waste the Contractor discovers no Unacceptable Waste, the Contractor shall dispose of that Waste at no additional cost to the Authority.

If Unacceptable Waste is discovered at the Transfer Facility Site, and the Contractor using reasonable diligence is unable to ascertain the responsible party, then the Authority shall pay or reimburse the Contractor for, subject to the limitations and conditions of this Article, the actual reasonable cost of the inspection, testing, identification, handling and disposal of that Unacceptable Waste. Payment or reimbursement by the Authority will only be made if the Contractor:

(a) complies with the requirements of this Article including, but not limited to, subsections 10.3(a) through (e), above;

(b) assists the Authority to the extent possible in ascertaining the Person previously owning or responsible for the delivery of the Unacceptable Waste to the Transfer Facility; and

(c) documents its actual costs and the reasonableness of those costs of inspecting, testing, identifying, handling and/or disposing of the Unacceptable Waste in compliance with applicable federal, state, or local law.

Any payment or reimbursement made by the Authority to the Contractor under this Section shall be paid in four consecutive monthly installments or a single lump sum payment at the Authority's sole discretion. The first installment or the lump sum payment shall be paid thirty (30) days after the Unacceptable Waste was discovered at the Transfer Facility pursuant to this Article. The Authority shall also pay to the Contractor interest (7 per cent per annum) accruing on any payment due under this Article from the date the costs are incurred to handle and dispose of the Unacceptable Waste to the date payment for that handling and disposal is made.

10.5 Recycling or Re-use of Waste. With the prior written approval of Authority, the Contractor shall have the right to recycle or re-use any Waste which is delivered to the Transfer Facility.

ARTICLE 11

Indemnification

11.1 Indemnification of Authority. The Contractor shall at all times indemnify, hold harmless and defend the Authority, its elected officials, officers, employees, agents and representatives, from and against any and all losses, damages, costs, charges, expenses, judgments, liabilities (except those resulting from the Authority's negligence) and attorney's fees (including those fees to establish the right to indemnification) (collectively, the "losses"), directly or indirectly resulting from, arising out of, or related to one or more claims described in this Section. The term, "claims," as used in this Article shall mean all claims, lawsuits, causes of

action, demands, damages, penalties, charges, judgments, losses, liabilities of any character or kind, and other legal actions and proceedings of whatever nature, including, but not limited to, claims, lawsuits, causes of action, and other legal actions and proceedings involving bodily or personal injury or death of any person or damage to any property (including, but not limited to persons employed by the Authority, the Contractor or any other person and all property owned or claimed by the Authority, the Contractor, any affiliate of the Contractor, or any other person), in any way connected with:

(a) the performance or nonperformance of any provision or requirement of this Contract, including, but not limited to, operation of the Transfer Facility, and Transportation and Disposal services by Contractor, its officers, employees, subcontractors, agents, or servants;

(b) any act or omission of Contractor, its officers, employees, subcontractors, agents, or servants at the Transfer Facility, the Disposal Site, or in proceeding to or from the Disposal Site from the Transfer Facility;

(c) the failure of Contractor, its officers, employees, subcontractors, agents, or servants to comply in any respect with the provisions and requirements of all applicable permits, licenses, laws, statutes, regulations, ordinances, codes, orders and all other legal requirements of federal, state, regional, county and local government authorities and agencies having jurisdiction over the relevant activities of the Contractor; or

(d) any release(s) or threatened release(s) of Waste, Unacceptable Waste, or any dangerous substance by any Person(s) at, onto, into, above, under, through, or from the Transfer Station, any of the Vehicles or the Disposal Site, subject to the provisions of Sections 10.4 and 10.5.

11.2 Comprehensive Indemnification. The obligations of the Contractor under this Article shall apply to all losses and/or claims related to the Project whether the losses and/or claims are or are not asserted in a judicial forum; however, the Contractor shall not be liable for losses that arise from the negligence of the Authority, its agents, or employees to the degree those losses are caused by that negligence.

The Authority shall not be liable to the Contractor for, and the Contractor hereby releases the Authority from all liability for any injuries, damages, or destruction to all or a part of property owned or claimed by the Contractor that directly or indirectly results from, arises out of or relates to the Project, unless that liability arises from the negligence of the Authority, its agents, or employees and, in that event, the Authority shall be liable only to the extent of that negligence.

11.3 Notice to Contractor; Legal Defense. In the event an action is brought against the Authority for which indemnity may be sought against the Contractor, the Authority shall promptly notify the Contractor in writing. The Contractor shall have the right to assume and control the investigation and defense, including the employment of counsel and the payment of all expenses of claims against which it must provide indemnity under this Article. The Contractor shall notify the Authority within twenty-one (21) days of the notice of the action whether it will undertake the investigation and defense of the Authority; provided, however, on

demand of the Authority, the Contractor shall at its own cost and expense, defend and provide qualified attorneys acceptable to the Authority under service contracts acceptable to the Authority to defend the Authority, its officers, employees, agents and servants against all claims.

Notwithstanding the foregoing, the Authority, at its own discretion, may employ separate counsel and participate in the investigation and defense but the Authority shall pay the fees and expenses of that counsel unless the Contractor has agreed otherwise.

11.4 Beneficiaries of Indemnification Provisions. The foregoing indemnification and hold harmless provisions are for the sole and exclusive benefit and protection of the Authority, the Contractor, and any affiliates of the Contractor and their respective officers, officials, agents representatives and employees, and are not intended, nor shall they be construed, to confer any rights on or liabilities to any person or persons other than the Authority and the Contractor and their respective officers, officials, agents and employees.

11.5 Royalties; Licenses Fees; Patents. The Contractor shall pay all royalties and license fees, shall defend all suits or claims for patent infringements that may occur in the performance of this Contract and shall hold the Authority harmless from any loss on account thereof.

11.6 No Waiver. Except as otherwise expressly stated herein, the parties do not under this Article waive or surrender indemnity available under any federal, state, regional, or local law. This Article shall survive termination or expiration of the Contract.

ARTICLE 12

Insurance

12.1 General. The Contractor shall provide, maintain and pay for the insurance coverage designated in this Article, specifically reserved for claims arising out of the Contractor's operations under this Contract, from an insurance company or companies licensed in the both the States of California and Washington at all times during the Term of the Contract and thereafter as to acts or omissions occurring during the Term of the Contract. Each such policy shall be subject to approval by the Authority.

12.2 Failure to Provide Insurance. The Contractor's failure to fully comply with any provision of this Article shall be considered a Class C Default of this Contract.

12.3 Insurance Coverage. Prior to initiation of the service under this Contract and throughout the Term of the Contract, the Contractor shall obtain and maintain the following insurance coverages which may be modified from time to time by mutual agreement between the Authority and Contractor:

- (a) Worker's Compensation Insurance as required by law;
- (b) Employer's Liability Insurance with a minimum limit of \$100,000 each accident;

(c) Comprehensive or Commercial General Liability insurance, including products/completed operations, blanket contractual and personal injury liability, and professional liability insurance with limits of \$1,000,000 each occurrence, combined bodily injury and property damage; \$2,000,000 aggregate;

(d) Comprehensive (Business) Automobile Liability Insurance covering all owned, non owned and hired vehicles with limits of liability of \$1,000,000 each occurrence, combined bodily injury and property damage;

(e) Pollution Liability insurance for the Disposal Site covering bodily injury and property damage to third parties occurring because of sudden or gradual pollution from all operations contemplated in this Contract with limits of \$3,000,000 per occurrence; \$6,000,000 aggregate.

(f) Deductibles. Any deductibles in the foregoing coverage shall be declared to, and be approved by Authority. At the option of Authority, either the insurer shall reduce or eliminate such deductibles as respects to Authority, its officers, employees, and agents or Contractor shall obtain a bond guaranteeing payment of losses and related investigation, claims administration and defense expenses not otherwise covered due to the deductibles.

12.4 Replacement Insurance. In the event the Contractor breaches any provision of this Article, the Authority in its sole discretion may procure and maintain, at the Contractor's sole expense, insurance to the extent the Authority deems proper. In the event the Authority obtains such insurance, the Contractor shall reimburse the Authority for the cost of that insurance within fifteen (15) days of receiving written notice from the Authority to do so or, in the Authority's sole discretion, the Authority may reduce the Service Fee due the Contractor in accordance with Section 8.5(a)(3).

12.5. Certificates. Certificates of Insurance and copies of the underlying policies shall be filed with the Authority. The Certificate shall reflect all insurance coverage required by this Contract. The Authority and its officers, employees and agents shall be named as additional insureds with respect to claims arising out of the operations of the Contractor under the above liability insurance policies. The Authority will be furnished annually with Certificates of Insurance in a form satisfactory to the Authority, and all policies shall provide for thirty (30) days' advance written notice of material change, cancellation, or nonrenewal.

ARTICLE 13

Coordination Meetings

13.1 Initial Coordination Meeting. Prior to the commencement of services under this Contract, the Contractor, Authority, principal subcontractors and others requested by either party shall meet to discuss scheduling, processes, materials, change orders, personnel and any other matters the parties deem appropriate.

13.2 Periodic Coordination Meetings and Reports. The Authority and the Contractor shall hold periodic coordination meetings in Napa County no less than every three months to

review the progress of the work and to discuss operations, problems and/or complaints made by third parties. Either the Authority or the Contractor may organize, call and notify the other party of that meeting. If requested, either party shall submit a written report to the other party at least one week before any meeting regarding operations, problems, complaints, or any other matter arising under the Contract.

ARTICLE 14

Additional or Deleted Work

14.1 Payment or Credit for Additional Services. All requests for payment for services or work under this Contract, in addition to the services or work described in the Contract Documents, shall be made only under the conditions and procedures of this Article. For purposes of this Article, the term, "additional work," means work that is in addition to the Project or other work required to be performed under the Contract Documents or any amendments thereof, but does not include any work required to comply with any changes in law, statutes, rules, regulations, ordinances, permit(s), permit conditions, or regulatory provisions. Nothing in this Article is intended to negate or lessen any other precondition or procedure for payment or reimbursement provided in this Contract.

14.2 Additional Work. The Authority shall submit to the Contractor a written request to perform any work or services that exceed Contractor's obligations under this Contract. Within twenty-one (21) days of that request, the Contractor shall submit to the Authority an itemized proposal stating (a) the Contractor's actual costs, exclusive of any profit, return on investment or margin, for performing the additional work or services; (b) a schedule; and (c) the impact the performance of that additional work or services will have on the Contractor's performance under this Contract. The Contractor's Proposal shall be based upon the least costly method for performing the additional work or services that complies with applicable law and industry standards.

Upon receipt of the Contractor's Proposal, the Authority shall have authority to order Contractor to perform the relevant additional work or services whether or not the Authority accepts the Contractor's proposal, for an increase in Service Fees equal to the Contractor's actual reasonable costs of performing that work or services, plus ten percent (10%) of those costs; the Contractor shall comply with that order. If the Authority approves the Contractor's written request for additional work or services and proposal, the Authority shall notify the Contractor in writing and order the Contractor to proceed. The Contractor shall not be entitled to Service Fee increases for additional work or services performed unless the Authority orders the Contractor to perform the work or services in accordance with this Article.

14.3 Deleted Work. The Authority may submit to the Contractor a written request to delete one or more of the Contractor's obligations under this Contract. Within twenty-one (21) days of receipt of that request, Contractor shall submit an itemized proposal stating (a) the Contractor's cost savings for deleting such work; (b) a schedule; and (c) the impact that deletion of such work would have upon Contractor's performance under this Contract.

Upon receipt of Contractor's proposal, the Authority may order Contractor to delete the

relevant work in accordance with Contractor's proposal, for a decrease in Service Fees equal to Contractor's actual decreased costs.

ARTICLE 15

Defaults in Performance of the Contract

15.1 Contractor Default. Except as otherwise provided in Section 6.14(c) in relation to Labor Code non-compliance for which exclusive penalties are provided in Section 6.14(c)(4), there shall be four classes of defaults by the Contractor in its performance under this Contract:

(a) A Class A Default is the Contractor's failure to commence operation of the Transfer Facility, Transportation and Disposal service from the Transfer Facility and with Vehicles and a Disposal Site properly permitted by law and in substantial and material compliance with the Proposal Requirements, on the date designated by the Authority.

(b) A Class B Default includes, on the commencement of services under this Contract, the Contractor's:

(i) failure to substantially perform any of the basic services under this Contract on three or more occasions of three or more days' duration in any given year;

(ii) failure to perform the basic services required under this Contract and it appears to the Authority's Representative, in that Representative's reasonable judgment, that the Contractor has abandoned the Project; or

(iii) direct or indirect change of control or transfer of a direct or indirect controlling interest in the beneficial ownership of the Contractor other than as expressly permitted under Section 17.2.

(c) A Class C default includes the Contractor's:

(i) failure to procure and/or maintain a Contract performance bond and/or other financial guarantee under Section 6.4; or

(ii) failure to procure and maintain insurance meeting the requirements of Article 12.

(d) A Class D default includes any other material failure by the Contractor to perform its obligations under this Contract.

15.2 Consequences of Contractor Defaults.

(a) Class A Default. In the event of a Class A default, the Contractor or Surety shall be permitted to remedy the default within thirty (30) days from notice by the Authority and shall pay to the Authority, from the date of that notice to the date the default is remedied, liquidated damages in the amount of \$20,000 per day. If the Class A default is not

remedied within thirty (30) days of that notice, the Authority may, at its sole option:

(i) be released from its obligations under this Contract and use any other method or Person to operate the Transfer Facility and to transport and/or dispose of Waste and may sue for actual damages;

(ii) seek judicial remedy of specific performance;

(iii) pursue any combination of the foregoing or any other remedy provided under this Contract; or

(iv) foreclose on the performance bond required by Section 6.4.

(b) Class B Default. In the event of a Class B default, the Contractor or Surety shall be permitted to remedy the default within four (4) days from notice by the Authority and shall pay to the Authority, from the date of that notice to the date the default is remedied, liquidated damages in the amount of \$5,000 per day.

If the Class B default is not remedied within four (4) days, the Authority may, at its sole option:

(i) be released from its obligations under this Contract and use any other method or Person to operate the Transfer Facility and to transport and/or dispose of Waste and may sue for damages;

(ii) seek judicial remedy of specific performance; or

(iii) pursue any combination of the foregoing or any other remedy provided under this Contract.

(iv) foreclose on the performance bond required by Section 6.4.

(c) Class C Default. In the event of a Class C default, the Contractor or the Surety shall be permitted to remedy the default within fifteen (15) days from notice by the Authority and from the date of that notice to the date the default is remedied shall pay to the Authority liquidated damages in the following amounts:

(i) failure to procure and/or maintain insurance of the types and in the amounts required by Article 12: a per-day fee equal to twice the annual cost of obtaining that insurance on the day of the default divided by 365 (i.e., twice the daily cost of the insurance); and

(ii) failure to procure and/or maintain the bond or other financial guarantee required in Section 6.4: \$500 per day.

If a Class C default is not remedied within fifteen (15) days, the Authority may, at its sole option, exercise any of the remedies set forth for remedy of a Class B default under this

section.

(d) Class D Default. In the event of a Class D default, other than a delay of operations, the Contractor or the Surety shall be permitted to remedy the default within thirty (30) days from written notice by the Authority and, if the default is not remedied within that thirty days, shall thereafter pay to the Authority liquidated damages in the amount of \$500 per day until the date the default is remedied, plus the Authority's actual damages. In the event of a delay of operations, the Contractor shall pay to the Authority \$1,000 for each day operations are delayed.

15.3 Default Procedure.

(a) Notice. To initiate default proceedings under this Article, the Authority's Representative shall give written notice to the Contractor's Representative and its Surety of the Authority's intention to declare the Contractor in default. Unless the Contractor promptly shows cause to the Authority's satisfaction why it should not be declared in default under the Contract, the Authority shall declare the Contractor in default and notify the Surety of such declaration.

(b) Performance by Surety. In the event that the Authority orders the Contractor to discontinue further performance under the Contract and transfers the Contractor's obligation to perform to the Surety, the Surety shall, within twenty-four (24) hours, assume performance of the Contract and, as soon thereafter as possible, but no later than seventy-two (72) hours after the Authority transfers the Contractor's obligations to the Surety, take possession of all Vehicles and the Disposal Site necessary to perform under the Contract, employ those Persons needed to perform the work and purchase, lease, or otherwise provide any necessary Vehicles or Disposal Site in accordance with applicable law.. The Surety's action under this Section shall not relieve it of its obligations under the Contract and the bond. If the Authority transfers performance to the Surety, the Authority shall make payments to the Surety for all work performed under the Contract subsequent to that transfer in an amount equal to the amount due the Contractor had it performed in the manner and to the extent of Surety's performance, which limitation shall be incorporated into the all applicable bond agreements.

(c) Failure by the Surety: Authority Substitution. If the Surety fails to effectively and competently assume or continue performance within four (4) days of the effective date of notice from the Authority, the Authority may exercise its rights to foreclose on the performance bond.

(d) General. Any amount due the Contractor under this Contract at the time of default or which becomes due thereafter shall be reduced by the damages suffered and expenses incurred by the Authority due to the default. If the Authority obtains substitute performance upon default at a cost less than then-current Service Fees, the Authority shall retain that difference.

A delay or interruption in the performance of all or any part of the Contract resulting from Uncontrollable Circumstances shall not be deemed a default under this Section.

The Authority shall not be bound to the Contract by any trustee or receiver appointed to

enter into or take possession of any of the Vehicles, Disposal Site, or the Contractor's business.

15.4 Authority Default. For each and every event of default by the Authority under Article 7, within ten (10) days of notice by the Contractor, except as provided in subsection (d) below, and after the Authority has failed to cure the default or give Contractor reasonable assurances that the default or threatened default will be promptly cured, the Contractor shall have the right to all of the following remedies to the extent provided by law:

(a) Injunctive Relief. For each and every default, the Contractor shall be entitled to the remedy of a permanent or temporary injunction, either in mandatory or prohibitory form, it being agreed that, in the case of a default, the Contractor's remedy at law is inadequate. If a court of competent jurisdiction finds that Contractor is entitled to injunctive relief by virtue of a default by the Authority, the Authority and Contractor agree that Contractor shall not be required to post a bond in excess of \$1,000. If the governing body of the Authority places as an agenda item before its deliberative body any proposed ordinance, rule, or other regulation that threatens, on its effective date, to precipitate a default of the Authority's responsibilities under Article 7, the Contractor may seek an injunction from a court of competent jurisdiction enjoining the Authority's deliberative body from enacting that ordinance, rule, or regulation. If a court of competent jurisdiction grants Contractor a prepassage injunction, it is agreed between the Authority and the Contractor that Contractor shall not be required to post a bond in excess of \$1,000.

(b) Actual Damages. For each and every default, in its discretion, the Contractor shall be entitled to recover its actual reasonable damages.

(c) Termination or Suspension of Contractor's Performance of the Contract. For each and every default by the Authority of a material obligation under the Contract, Contractor shall be entitled to terminate or suspend Contractor's performance of the Contract if the Authority has not either remedied the default within sixty (60) days of notice or has become a party to judicial or arbitration proceedings to resolve this dispute regarding the adequacy of its performance.

15.5 No Waiver by Authority. Nothing in this Article, and no actions taken pursuant to this Article shall constitute a waiver or surrender of any rights, remedies, claims, or causes of action the Authority may have against the Contractor or its Surety under any other provision of this Contract or any provision of law.

ARTICLE 16

Arbitration, Judicial Venue and Governing Law

16.1 Arbitration. All unresolved disputes between the parties arising from the Contract shall be exclusively settled by arbitration under the laws of the State of California, in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA Rules" for purposes of this Article). The decision of the arbitrator shall be final and binding on both parties and the Surety.

16.2 Arbitration Panel. All arbitrated disputes shall be heard and decided by a three-member panel of arbitrators, one (1) member selected by the Authority, one (1) member selected by Contractor, and one (1) neutral chairperson selected by the first two panel members. Within fifteen (15) business days of the date that either party has notified the other party that the dispute has been submitted to arbitration, each party shall select one (1) member of the arbitration panel. If either party fails or refuses to select a member of the panel, the other party shall be entitled to an order from a court of competent jurisdiction appointing such panel member, and shall be entitled to reasonable attorney's fees incurred for such action. In the event the panel members selected by Authority and Contractor are unable to agree upon a third arbitrator within thirty (30) days after the selection of the second arbitrator, the parties shall request from the American Arbitration Association a list of five (5) arbitrators residing in California. The parties shall alternatively strike names from the list until only one name remains. The arbitrator whose name remains shall be the chairperson of the arbitration panel.

16.3 Limited Consolidation. There shall be no consolidation of any arbitration between the Authority and the Contractor with any other arbitration not involving, arising from, or relating to this Project.

16.4 Expedited Procedure. In the event that the Authority determines, in its sole opinion, that the public interest requires a speedy resolution of any arbitrable controversy or claim regardless of the amount, the Authority shall have the option of electing resolution of the controversy or claim by the Expedited Procedures of the AAA Rules (Rules 54 through 58).

16.5 Jurisdiction; Venue. Each party to the Contract and the Surety accept jurisdiction of the courts of the State of California for the purposes of commencing, conducting and enforcing arbitration proceedings and agree to accept written notice of the arbitration proceedings sent by certified letter addressed to the party of intention. The parties agree that proper venue for any judicial proceeding to enforce any decision or award made by an arbitrator under this Article shall be exclusively in Napa County, in the State of California.

16.6 Nonarbitrable Disputes. The parties agree that the proper venue for any judicial proceeding brought under this Contract or any subcontract made pursuant to this Contract that is not subject to resolution by arbitration under this Article shall be the Superior Court of the State of California, in Napa County.

16.7 Arbitrator's Fees; Attorney's Fees. The parties shall share the cost of any arbitration conducted under this Article as provided by the AAA Rules. In addition to those attorney's fees provided for in Section 16.2 of this Contract, in the event suit or action or arbitration is instituted to enforce any right granted herein, if either party substantially prevails, it shall be awarded its attorney's fees and costs, including but not limited to expert witness fees.

16.8 Standing. Only the Authority and the Contractor shall have standing to bring or become a party to arbitration claims or legal actions under this Contract.

ARTICLE 17

Successors: Assignment

17.1 Contractor Delegation. The Authority executes this Contract with the Contractor as a qualified party to accomplish the Project. The Contractor's delegation of any Contract duties shall be subject to Article 4 of this Contract. Any delegation of duties shall not relieve the Contractor or the Surety of any liability and/or obligation to perform.

17.2 Assignment. The Contractor shall not assign any rights or obligations under or arising from this Contract without the prior written consent of the Authority, which shall not be unreasonably withheld; provided, however, that nothing herein shall prevent the Contractor from admitting additional partners, prevent a partner from assigning a portion of its interest, or prevent the Contractor from assigning rights or obligations under or arising from this Contract to another Person so long as the Contractor or such other person remains or is legally controlled by Warren J. Razore, Carmen Razore Sepic, Marie Razore Schulze and/or their heirs. Unless specifically approved in writing by the Authority, any assignment shall not relieve the assignor of any liability hereunder.

17.3 Binding Effect. This Contract shall be binding on any and all successors or assignees in accordance with this Article.

ARTICLE 18

Guarantees and Warranties

18.1 Guarantees and Warranties Required by Contract. The Contractor shall provide to the Authority any and all warranties and guarantees specifically or implicitly required by any of the Contract Documents.

18.2 Other Guarantees and Warranties. The Contractor shall provide warranties and guarantees not already specifically required by the Contract Documents that may be reasonably necessary to ensure the viability of the Authority's rights and remedies under this Contract.

18.3 Contractor Repair of Defects. Within a reasonable time after receiving written notice, the Contractor shall correct any defects in workmanship that exist prior to or during the period of any guarantee and any damage caused by those defects or the repairing of those defects, at its own expense and without cost to the Authority or interruption of the Project.

18.4 Independent Guarantees and Warranties. The guarantees and warranties described in this Article shall not be construed to modify, limit, or lessen in any way, any rights or remedies that the Authority may otherwise have against the Contractor or the Surety.

ARTICLE 19

Dissolution of the Authority and Successor to the Authority.

19.1 In the event that the Authority is dissolved or its Waste functions and power relative to this Contract are taken from the Authority by legislative act, or by referendum of the people, or by agreement, all of the duties, rights and remedies of the Authority under the Contract, including, but not limited to, any bonds executed for this Contract, shall remain in full force and effect and shall be transferred to the successor to the Authority as specified by the legislative act, agreement, or referendum by which the Authority is dissolved.

ARTICLE 20

Term.

20.1 The Term of the Contract shall begin on its execution and end ten (10) years from the date of first commercial acceptance of Waste by Contractor as directed by Authority. The Contract shall automatically be extended for four (4) additional five-year periods under the same provisions and for the same Service Fees calculated in accordance with Article 8 of this Contract, unless the Authority gives the Contractor nine (9) months' written notice of its intent to terminate the contract at the end of the then-expiring term. In the event the Contract is extended, the Contractor must provide to the Authority, no less than thirty (30) days prior to the expiration of the current ten- or five-year period, a new bond or bonds satisfying the requirements of Section 6.4.

ARTICLE 21

Further Project Service

21.1 Following execution of the Contract, the Authority and the Contractor shall explore, assist, and not impair or impede each other in the development of transport and other cost efficiencies, reuse and recycling opportunities, accomplishment of the solid waste planning goals and objectives of the member agencies of Authority and the extension of the Project to additional jurisdictions or solid waste generators.

IN WITNESS WHEREOF, this Contract was executed by the parties hereto as of the

date first above written.

SOUTH NAPA WASTE MANAGEMENT
AUTHORITY

By Vince Ferriole
Vince Ferriole, Chair, Board of
Directors

ATTEST: JILL PAHL,
Secretary of the Board

By Jill Pahl

"Authority"

REGIONAL DISPOSAL COMPANY

By: W.J.R. Environmental, Inc.,
Managing Partner

By: Warren J. Razore
Warren J. Razore, President

APPROVED AS TO FORM:
Legal Counsel to the Authority

By Margaret L. Woodbury
Margaret L. Woodbury

EXHIBITS

- | | |
|------------------|--|
| Exhibit A | Contractor's Authorizing Resolution |
| Exhibit B | Proposal Requirements |
| Exhibit C | Contract Performance Bond/Specimen |

EXHIBIT B

**Technical Specifications
for the
Solid Waste Transfer Operations and
Transportation and Disposal
between
South Napa Waste Management Authority
and
Regional Disposal Company**

dated February 10, 1994

Exhibit B
TECHNICAL SPECIFICATIONS

This Exhibit contains Technical Specifications for solid waste transfer operations at the new Transfer Station (TS), transportation and disposal of Waste from the transfer station to the Roosevelt Regional Landfill. Terms used in these Specifications that are defined in the Contract are capitalized throughout this exhibit, and have the meanings assigned to them in the Contract. Cross-referencing between Sections of the Technical Specifications and the Contract is provided where appropriate, however, such cross-references shall not limit the applicability of any other Section of the Contract or the Technical Specifications. The Technical Specifications are divided into three Sections as follows:

<u>Section</u>	<u>Subject</u>	<u>Page</u>
1	Project Preparation and Operations Startup	
1.1	Introduction	A-
1.2	Operations Preparation	A-
1.3	Facility Startup Phase	A-
1.4	Commercial Operations	A-
2	Authority Transfer Station Performance Requirements	A-
2.1	Functional Requirements	A-
2.2	Facility Management	A-
2.3	Facility Operations	A-
2.4	Facility Maintenance	A-
3	Transportation and Disposal System Technical Specifications	A-
3.1	General Requirements	A-
3.2	Maintenance and Repairs	A-
3.3	Provision and Storage Requirements	A-
3.4	Tractor-Trailer and Rail	A-
3.5	Disposal Facility	

Section 1

PROJECT PREPARATION AND OPERATIONS STARTUP

1.1 INTRODUCTION

The Authority will provide for permitting and construction of the Transfer Station (TS). The work conducted by the Contractor during Project Preparation and Startup shall lead to a completely integrated and operating Facility. Project Preparation and Startup as described in this section includes the following:

- Documentation for Facility Startup, operations and maintenance. Documentation was provided in the Proposal as required on Form T-4, and are intended to meet all applicable codes, standards, statutes or regulations, and to support permit applications.
- Labor, equipment, and material required for Project Preparation and TS Startup.
- Obtaining all required operating permits and licenses.
- Facility inspections and reinspections.
- Participation and support of public involvement and information activities during Project Development, as necessary.
- All costs including insurance and other fees (including direct, indirect and incidental) related to the Contractor's work.
- Receiving, testing, and Startup of all equipment in full conformance with the requirements and recommendations of the manufacturers.

1.2 PROJECT PREPARATION

1.2.1 Scheduling of Preparation and Startup Activities

Within sixty (60) days of the execution of the Contract, the Contractor shall submit a detailed schedule and CPM chart for all Project Preparation and Startup activities. The Contractor shall assume a Commercial Operations Date of October 1, 1994, unless and until notified otherwise by the Authority, as provided in the Contract. The schedule shall be updated monthly as part of the monthly progress report as required by Section 1.3 of these Technical Specifications.

1.2.2 Project Staffing

The Contractor shall establish a Project management organization reporting to a Project manager responsible for Facility Preparations, Startup, and Operations. The Contractor's Project manager shall be directly accountable to the Authority for the Contractor's performance with respect to contractual requirements and shall be the prime contact for all matters related to the Project.

In addition to the Project manager, the Contractor's key personnel shall be identified in the management plan. Replacement of key personnel shall be subject to approval by the Authority, whose approval shall not be unreasonably withheld.

The Contractor shall maintain personnel at the Facility with full authority to make all operating decisions related to Facility Startup during normal working hours and shall have key maintenance and operating personnel on call at all other times.

1.2.3 Procurement of Equipment, Components, and Services

The Contractor shall manage the procurement of Project equipment, components, and services, and expedite the procurement of purchased equipment, material, and contracted services in accordance with the Project schedule. The Contractor shall complete equipment testing sufficient to fulfill the requirements of Facility Startup and Normal Operations.

1.2.4 Preliminary TS Operating Plan

The Contractor shall prepare and submit to the Authority for review and comment a preliminary TS Operating Plan pursuant to Section 2.3.4 of these Technical Specifications. The preliminary TS Operating Plan shall be submitted 120 Days prior to the beginning of scheduled Facility Startup. This plan shall describe the sequence of operations and testing to be performed during Startup, including required environmental compliance tests (if applicable), the proposed schedule for Acceptable Waste deliveries, phasing in of commercial and self-haul Waste streams, and the plan for screening and handling of Unacceptable Waste. The plan shall describe planned procedures for conducting Startup and commercial operations in accordance with the requirements specified in Section 2.3.4. The Plan shall contain the Loading Protocol required in Section 6.18 of the Contract. In addition, the TS Operating Plan shall include a Contingency Operations Plan, as specified in Section 2.3.4, and Emergency Response and Emergency Response Business Plan as required in the Contract. The Authority will review and comment on the

Preliminary TS Operating Plan. The Contractor shall incorporate responses to Authority comments on the preliminary TS Operating plan prior to the completion of TS construction.

1.2.5 Notification of Completion of Construction

Upon notification by the Authority, the Contractor shall have access to inspect the Project facilities for completion and readiness with respect to the preliminary TS Operating Plan. If after Contractor input the Authority determines that the Facilities are substantially complete and in conformance with the terms of the Contract, the Technical Specifications, design and construction documents, and the Preliminary TS Operating Plan, the Authority will notify the Contractor that TS construction is substantially complete and provide a date on which the Contractor may start on-site staffing and preparations for Startup. The Authority shall provide as-built Facility Plans to the Contractor for use in preparation of the Facility Operating Plan and preparations for Startup.

1.3 FACILITY STARTUP PHASE

1.3.1 Startup

Startup shall commence when the Authority has determined that all necessary permits, regulatory approvals, and all other Project permit requirements are satisfied, all equipment is installed, construction is complete and discrepancies are resolved to the satisfaction of the Authority, Contractor personnel have been trained in Startup and commercial operations procedures, including the Loading Protocol, contingency operating plans are in place, and safety and emergency procedures have been established. The Authority shall also have received the revised Preliminary Operating Plan prior to authorization of Startup.

Startup shall consist of a period not to exceed 90 Days, during which the Contractor shall demonstrate that the TS can continuously process Acceptable Waste directed to the TS by the Authority: initially for 7 Days at reduced capacity and, over a minimum 7-Day test period, at full capacity (i.e. receiving all Acceptable Waste disposed in the TS) while satisfying all TS Technical Specifications. Prior to directing all Waste to the TS for the 7-Day full capacity testing period, Waste will be scheduled by the Authority to arrive at the TS in gradually increasing amounts on the schedule included by the Contractor in the Preliminary TS Operating Plan and as approved by the Authority.

Startup shall include but is not limited to the following activities:

- Adherence to the Startup procedure and schedule as defined in the Preliminary TS Operating Plan
- Training of all personnel required for commercial operations
- Checking, adjustment, repair, and or replacement of all mechanical, electrical, and data management equipment and utilities as necessary to satisfy the Technical Specifications and equipment specifications.
- Modification of TS operations to satisfy requirements of the Technical Specifications and the Contract
- Recording of all TS operating parameters necessary to demonstrate adherence to the Technical Specifications and to allow completion of a Startup report as part of the Final TS Operating Plan, including but not limited to payloads; tonnages of Acceptable Waste transferred; queuing data; quantity, type, and handling methods for Unacceptable Wastes; all equipment and personnel operating failures and corrections; noise, dust, litter, vector, or other environmental problems; data collection and reporting as required in these Technical Specifications; and TS security issues.
- Revision and finalization of the TS Operating Plan to reflect changes to equipment and operations made during Startup

If at any time during Startup the Facility is determined by the Contractor or Authority to not perform in compliance with the Technical Requirements, the Authority shall direct Waste away from the TS for the time necessary to repair, retrain, or otherwise restart the TS. Wastes shall then be redirected to the TS until operations at both reduced capacity and the 7-Day test period at full capacity are achieved. Reimbursement for Processing of Acceptable Wastes during this period will be made to the Contractor as described in the Contract.

The Contractor shall provide all the personnel, services, utilities, supplies, and other elements except for the Acceptable Waste, to carry out and complete the Startup process. During the Startup, the Facility shall be operated by regular employees of the Contractor, employees who are intended to be regularly employed by the Contractor

during commercial operations. Required environmental compliance tests shall be performed during the Startup phase, as applicable. All operations during Startup shall be conducted in conformance with Applicable Law. The Authority and its designated representatives will have access to the TS, shall have access to all raw data and calculations, and review Startup results as a part of the Contractor's proposed Final Operating Plan.

1.3.2 Final TS Operating Plan

Prior to completion of Startup and commencement of commercial operations, the Contractor shall submit a Final TS Operating Plan in Accordance with Section 2.3.4 reflecting changes in TS operating procedures found necessary during Startup. The proposed Final TS Operating Plan shall include a Startup report as specified. The Final TS Operating Plan shall also contain revised plans for all Facility management, operating, and maintenance issues addressed in the Preliminary Operating Plan as specified.

The Authority shall prepare a response that confirms whether the Startup and the Final TS Operating Plan have been completed in conformance with Startup requirements, and specifies any further requirements to be implemented at the end of Startup and during commercial operations. On the basis of the Authority's report, the Authority will determine if the TS is ready to have all Authority Acceptable Wastes devoted to the TS for the duration of the Contract. The Authority shall not unreasonably withhold issuance of the report or approval of the commencement of commercial operations.

The Authority's review of the Final TS Operating Plan and approval of commencement of commercial operations shall not be deemed Authority approval or acquiescence to any conditions or Contractor activities that do not conform to Applicable Law or with these Technical Specifications or Contract, nor shall that review and approval impose any liability on the Authority for Contractor errors, omissions, or actions.

Approval of the Final TS Operating Plan by the Authority shall in no way relieve the Contractor of adherence to these Technical Specifications and the Contract.

1.4 COMMERCIAL OPERATIONS

The Authority shall authorize the Contractor to begin Commercial Operations when the Authority, acting reasonably, determines that the Contractor has met Startup conditions, and the Contractor has submitted and the Authority has approved the Final TS Operating Plan.

Section 2

PERFORMANCE REQUIREMENTS

This section establishes the following technical and performance requirements for the TS:

- 2.1 Functional Requirements
- 2.2 Facility Management: Truck and Rail
- 2.3 Facility Operations: Truck and Rail
- 2.4 Facility Maintenance

2.1 FUNCTIONAL REQUIREMENTS

2.1.1 General Waste Receiving and Transfer Requirements

The TS shall be capable of receiving all Acceptable Wastes generated in the Authority, and of preparing these Wastes for transportation to the Authority's designated disposal Facility by the Contractor. The Contractor shall provide:

- Weighing and billing for all private and public TS users
- Acceptance of all Acceptable Waste generated in the Authority, and acceptance of Waste from other jurisdictions if directed to the TS by the Authority
- Separation of commercial Waste collection vehicles and self-haul vehicles into separate tipping areas
- On-site queuing and traffic management for all incoming and outgoing vehicles
- Inspection of incoming loads; weighing of incoming and outgoing loads, billing, and collection of tipping fees
- Separate handling and management of Unacceptable and Special Wastes according to the terms of the Contract and these Technical Specifications
- Drop-off recycling Facilities as required in these Technical Specifications
- Handling of Special Wastes as specified in these Technical Specifications
- All other functions specifically set forth in these Technical Specifications and the Contract

2.1.2**Compatibility with Authority Transportation and Disposal Operations**

The TS shall be operated to maintain full compatibility with the Authority's Waste transportation and disposal system. Except as provided elsewhere in the Contract, Containers, rail cars and related equipment shall be owned and maintained by the Contractor, who shall have unrestricted access to the TS for purpose of removal of full Trailers and delivery of empty Trailers. The TS shall be operated and maintained to provide on-site storage of a minimum of 50 transportation Trailers or 50 rail containers. The Contractor shall provide and operate all equipment necessary for the legal loading, in accordance with the Loading Protocol, of Containers in accordance with requirements set forth in the Contract.

2.1.3**Drop-off Recycling Facility**

The Contractor shall provide a labor and material to operate the drop-off recycling Facility at the TS for public use free of charge during operating hours. Traffic flows to, from, and within the drop-off recycling area shall be maintained separate from other traffic patterns and queuing areas at the TS. At a minimum, the drop-off recycling Facility shall receive glass, tin and ferrous metals, newspaper, cardboard and corrugated containers, aluminum, PET and HDPE containers, yard wastes, car batteries, latex paint, antifreeze and used oil. If market conditions require such, and with the approval of the Authority, the Contractor may charge a minimum handling fee for yard wastes, car batteries, latex paint and used oil. Space shall be provided for future acceptance of other materials, consistent with the Authority's Waste Reduction and Recycling Plan. The drop-off recycling Facility shall not receive Unacceptable Waste. Within the drop-off recycling area, site space shall be maintained for public parking and unloading, container pick-up equipment maneuvering, and for the drop-off containers. Subject to and consistent with the Authority's current Waste Reduction and Recycling Plans, either single or multi-material containers may be provided.

The Contractor shall remove and deliver to recycling markets all materials received at the drop-off recycling Facility. The Contractor shall provide all equipment necessary to operate the drop-off recycling Facility, including containers and container loading and unloading equipment. The Contractor shall assume ownership of all materials delivered to the drop-off Facility at the time of delivery. The Contractor shall be responsible for operations at the drop-off Facility, including monitoring of incoming materials and rejection of Unacceptable Waste, non-recyclable wastes and contaminants, and shall be

responsible for cleanup of litter and materials spilled during drop-off recycling operations. All materials received at the drop-off Facility shall be transported to recyclable materials markets, and shall not be disposed unless specifically approved by the Authority.

2.1.4 Separation and/or Recycling of CDL, Wood Wastes, and Yard Wastes

The TS shall provide for handling and transfer of acceptable wood, construction, demolition, and yard wastes separately from the handling and transfer of municipal solid wastes, in accordance with the Authority's direction and consistent with the Authority's current Waste Reduction and Recycling Plan(s). The TS shall be designed and operated so as to prevent the contamination of these Wastes by other Acceptable and Unacceptable Wastes.

2.1.5 Transfer Technology

The TS has been designed by the Authority for possible operation both with and without compaction of Waste prior to loading of trailers or containers. The Authority may require the Contractor to load uncompacted Waste into top-loading trailers. The Authority will require the Contractor to operate compaction equipment capable of loading compacted Waste into rear-loading trailers or containers in accordance with the Loading Protocol.

2.1.7 Special Wastes

The Contractor shall handle all Acceptable Waste and Special Waste as specified in these Technical Specifications and the Contract, including white goods, tires, wood waste, and construction and demolition waste. The Contractor shall accept white goods at the TS, and if necessitated by market conditions and with the prior approval of the Authority, charge a nominal handling fee, and shall provide for the recycling of white goods received at the TS. The Contractor shall remove all white goods accumulating at the TS monthly, or more frequently if required.

The Authority may require the Contractor to provide separate receiving, handling, and/or transfer of Special Waste in addition to the requirements set forth in these Technical Specifications and the Contract. The Authority shall reimburse the Contractor for the Direct Costs of handling of such additional Special Waste, subject to Cost Substantiation.

2.1.8 Public Information Area

The Contractor shall operate and maintain an area for posting of notices and distribution of information provided by the Contractor and Authority to users of the TS. The public information area shall be prominently visible to both commercial and self-haul TS users, and shall be readily accessible to all Facility users. The public information area shall be covered and protected from the elements. The Contractor shall provide at all times public information on Tipping Fees, handling policies for Special Waste, descriptions of Acceptable and Unacceptable Waste, alternative disposal sites for Unacceptable Waste, and summaries of recycling opportunities in the Authority's Service Area.

2.2 FACILITY MANAGEMENT

2.2.1 Data Collection, Billing and Reporting Requirements

TS data collection, data management, billing and reporting functions shall be PC-compatible microcomputer-based and shall interface with the Authority's Waste transportation and disposal data management systems, including recording of Waste transferred for disposal. The Authority shall approve of the computer system before installation. The Authority shall have full access to all records, in both hard-copy and machine-readable forms.

The Contractor shall provide the following information in monthly reports as specified in the Contract, in both hard-copy and machine-readable formats:

- Scale weight and Waste type of all inbound and outbound loads, including residential and commercial delivery vehicles, collection vehicles, and Containers
- Monthly quantities of drop-off recyclables; wood, construction, demolition and yard waste; and any Special Waste received
- Identification number, tare weight, payload weight and time of receipt of each empty Container and of each Loaded Container shipped to the landfill
- Maximum, minimum, and monthly average gross, tare, and net weights of Containers Loaded at the TS
- Information pertaining to the handling of any Unacceptable Waste as required in the Contract

Monthly reports for each month shall be delivered to the Authority in accordance with the Contract.

The Contractor shall provide the following information in quarterly reports, in both hard-copy and machine-readable formats:

- Equipment and Facility maintenance records
- Equipment replacement records
- Customer or other complaints and recommended actions
- Accident reports and status

Quarterly reports for the preceding quarter shall be delivered to the Authority no later than January 31, April 15, July 15, and October 15 of each year.

The Contractor shall provide an annual report, subject to independent audit, that incorporates a summary of the monthly and quarterly operations reports for the preceding year. The annual report for each year shall be delivered to the Authority no later than January 31 of the following year.

The Authority may request, in writing, recalibration of the TS scales. If the scales are found to be properly calibrated, the Authority shall pay all costs incurred for recalibration; if the TS scales are improperly calibrated, the Contractor shall pay for the recalibration. The Authority will reimburse the Contractor for any underpayment and for the recalibration. The Authority will reimburse the Contractor for any underpayment and the Contractor shall reimburse the Authority for any overpayment attributable to improper calibration, retroactive to the date of the Authority's written request.

2.2.2 Public Information

All signage and public information documents or media releases regarding the TS and its operation shall be reviewed and approved by the Authority prior to their release. At the direction of the Authority, the Contractor shall display notices and distribute public information materials to TS Facility users at the public information area provided for this purpose.

2.2.3 Staffing

The TS Contractor shall provide sufficient on-site personnel to ensure efficient management, operation, and maintenance of the Facility. In order to accommodate staff leaves for sickness and vacation, the Contractor shall ensure that additional personnel are available to provide continuous operation and maintenance of the TS. The Contractor shall meet the following minimum staffing requirements during normal hours of operation as specified in a staffing plan to be included as part of the TS Operating Plan:

- One TS Superintendent who shall be responsible for daily operations
- Equipment operators in sufficient number to provide efficient loading (and compaction, if applicable), on-site movement of loaded and unloaded transfer trailers or containers, and all other management, supervisory, operating or maintenance work requiring the use of equipment to fulfill TS Functional Requirements and compliance with the Contract
- Laborers in sufficient number to assist in the control of traffic, unloading of refuse, control of litter, maintenance of the site, vehicle weighing, and screening of Waste received
- The Contractor's staffing plan and procedures shall anticipate and respond to Waste quantity fluctuations, providing sufficient number of personnel to operate the TS in full compliance with these Technical Specifications

2.2.4 Safety and Emergency Response Training

The Contractor shall implement an employee safety orientation and training program which shall begin at the time of TS start and shall continue throughout the term of the Contract. The TS manager shall be designated as TS Safety Coordinator, or shall so designate another member of the staff. As a minimum, the coordinator shall be

responsible for the implementation of the following program requirements:

- Orientation for new employees, including safety training and emergency contingency planning
- Accident reporting procedures for notification of the Authority and other appropriate agencies
- Mandatory first aid instruction for all TS staff members
- Regularly scheduled safety meetings
- Fire prevention and fighting instruction
- Waste screening training, including recognition of Unacceptable Waste before and after unloading, and identification and tracing of Unacceptable Waste to the responsible party
- Instruction concerning procedures for effective cleanup, management, and disposal of Unacceptable Waste once detected in collection vehicles, tipping area, or transfer trailers
- Routine inspection and testing procedures for all safety and emergency equipment and protective devices, and routine walk-through inspections conducted by the Contractor through all TS areas to identify and correct potential or actual unsafe conditions
- Thorough investigation and documentation of all accidents to ascertain the cause and future methods of preventing recurrence
- Observation of all applicable OSHA standards. Posting of safety bulletins and posters required by regulatory agencies and other materials concerning accident prevention and hazardous conditions
- The Contractor will abide by all local, state, and federal safety engineering requirements. The Contractor will provide for provision of first-aid stations, emergency medical response for injured staff and customers, and chemical exposure treatment procedures.

The preceding list of minimum safety program requirements is not provided as and shall not be regarded as a complete or sufficient list of safety program measures or procedures. The inclusion of the preceding list shall not

be deemed to relieve the Contractor of its full responsibility for providing a safe operation and workplace or to impose any liability whatsoever on the Authority for the Contractor's operations, actions, or omissions

2.3 FACILITY OPERATIONS

2.3.1 General

The Contractor maintains the exclusive right of and sole responsibility for operations of the TS. The services performed by the TS operator shall be performed in accordance with all state, federal, and local regulations. Inspections, reviews and approvals by the Authority as provided in these Specifications or in the Contract shall not diminish the Contractor's rights and responsibilities or create any Authority liability for the Facility of the Contractor's operation thereof.

The Contractor shall provide efficient service to the public at all times, providing employees for all assignments who are dependable, trustworthy, neat and clean in appearance and courteous to the public. The Contractor's staff shall not keep pets or other animals on the site, and fire arms are prohibited.

The TS Contractor shall facilitate the operations of the Authority's transportation contractor and other Persons directed by the Authority to pick up or deliver material at the TS.

Upon closure of the TS each day, the Contractor shall continue operations until all putrescible Waste is removed from the tipping floor. The tipping floor will be cleaned and swept up daily. Odor abatement shall be conducted through a comprehensive program of cleaning equipment, tipping areas, and platforms. Litter shall be minimized and controlled on-site on a daily basis, and litter shall not be allowed off-site. Contractor is responsible for cleaning litter along Devlin Road to Highway 29. On-site traffic noise shall be reduced through enforcement of on-site speed limits.

The Contractor shall be responsible for all operation and maintenance costs associated with equipment including the weighing system. The Contractor shall be responsible for all damage to the TS and Authority-owned equipment, and shall repair or replace any such damage, provided that maintenance or repair found to be resultant from construction within the first year of operations shall not be the responsibility of the Contractor.

2.3.2 Days and Hours of Operation

The TS shall receive Waste between the hours of 4:00 a.m. and 5:00 p.m. on weekdays, and from 8:00 a.m. to 4:00 p.m. on Saturdays. The TS shall be closed on Sundays and the following holidays: New Years Day, Easter, Labor Day, Thanksgiving, and Christmas. The Authority may require changes in operating hours and days, and the Contractor may negotiate changes to operating hours and days, subject to provisions of the Contract.

2.3.3 Scale Operations

Every vehicle hauling Acceptable Waste shall be weighed upon entering and leaving the Facility to determine the net weight of Acceptable Waste delivered. Containers shall also be weighed both inbound and outbound. Subject to audit by the Authority, the tare (i.e., empty) weight of individual commercial collection vehicles may be established and recorded so that the vehicles may not be required to reweigh each time after unloading. The tare weight must be verified at least twice each year without advance notice to the vehicle owners or drivers.

After weighing, the Contractor shall prepare a weigh ticket that indicates the customer, vehicle identification, Waste type, date, time, inbound gross weight, outbound gross weight or listed tare weight as applicable, net weight, and charge. Weigh tickets for trailers or containers shall include the identification numbers. If the Contractor's scale is at any time inoperable, the Contractor shall make alternative arrangements to weigh all inbound and outbound traffic.

2.3.4 TS Operating Plan

The TS Operating Plan shall specify all aspects of the Contractor's approach to Facility Management, Operation, and Maintenance during commercial operations. The plan shall also specify the TS Contingency Operating Plan, as specified below in this Section. At a minimum, the Operating Plan shall establish procedures for the following:

- Staffing and Hours of Operation
- Waste Receiving, Screening and Acceptance
- Unacceptable Waste Identification and Management
- Safety and Emergency Training and Operating Procedures
- Loading and Compaction Operations
- Coordination With Transport Operations
- Waste Accounting and Reporting Procedures
- Billing and County Compensation Procedures
- Drop-off Recycling Operation
- Handling of Construction and Demolition Debris, Wood Waste, and Yard Waste

- Site Security
- Traffic Control
- Noise Mitigation
- Dust, Litter, and Vector Control
- Environmental Control
- Public Information Management

In addition to the Operating Plan, the TS Contingency Operating Plan shall provide comprehensive contingency operating procedures that will take effect in the event of interruption of normal operations at the TS, including but not limited to:

- fires and explosions
- release of toxic or hazardous substances
- work stoppage by the Contractor's employees
- emergency weather conditions
- building or equipment failure
- receipt of Unacceptable Waste

The TS Contingency Operating Plan shall be subject to review and approval by the Authority. At a minimum, the contingency plan shall include:

- A description of actions the Contractor shall take in response to these contingencies listed above
- Evidence of arrangements and agreements with local emergency response agencies describing the services to be rendered by each agency in the event of an emergency
- A site diagram and description of the location and intended use of all emergency equipment
- Names, telephone numbers, and addresses of all persons designated as emergency coordinators by the Contractor. An emergency coordinator shall be at the TS or on call by telephone or radio within five minutes of an emergency. Emergency coordinators shall be familiar with all parts of the TS Operating Contingency Plan. The Contractor shall conduct emergency response drills at least twice per year

2.3.5 Traffic Management

The Contractor will be responsible for controlling movement of traffic on-site and off-site, if necessary, including the provision of staff to direct traffic. Disabled vehicles will be assisted by the Contractor and removed from operational areas when necessary. The TS shall receive both public self-haul and commercial Waste

collection vehicles simultaneously and separately. The Contractor shall be responsible for directing commercial and the self-haul public to their designated queuing and tipping areas. During heavy traffic flow, the Contractor may direct vehicles to areas other than normally designated, consistent with operational safety.

2.3.6 Waste Transfer and Disposal

The Contractor shall be responsible for the full cycle of transfer and disposal operations, including moving empty trailers or containers from the staging area to the compactor, loading trailers or containers, weighing and preparation of all required documentation, and returning the trailer or container to the staging area.

The Contractor shall load trailers or containers in accordance with the Loading Protocol and as otherwise required in these Technical Specifications, and shall exercise reasonable care to avoid unusual wear or damage to the trailers or containers during loading. The Contractor shall be fully responsible for loading trailers or containers according to the Loading Protocol and legal gross railroad weights, and shall unload and reload trailers or containers as necessary to achieve compliance with applicable weight limits. The Contractor is responsible for payment of all overweight fines and other fines received during Waste transportation and disposal operations.

2.3.7 Unacceptable Waste

The Contractor shall screen all Waste delivered to the TS in a manner sufficient to determine whether or not Unacceptable Waste is present. The Contractor's inspection procedures shall include at a minimum:

- All Waste received at the TS shall be visually inspected as they are being tipped. Visual inspection shall be conducted by at least one person whose primary duty it is to monitor Waste tipping while deliveries are being made to the TS. Inspectors shall be trained to spot Unacceptable Waste, to recognize identifiable characteristics of Unacceptable Waste, distinctive markings on containers of Unacceptable Waste, and available field and laboratory tests to detect Unacceptable Waste. To alert equipment operators of the presence of Unacceptable Waste, a communication device shall be available that allows communication between the Waste inspector and equipment operators.
- Records shall be maintained for all attempted deliveries of Unacceptable Waste, whether or not these waste are accepted at the TS. These records shall include time and date, hauling firm, name of driver, source of waste, vehicle identification numbers, type and quantity of Unacceptable Waste found.

2.3.8 Security

The Contractor will provide measures to ensure site security and eliminate unauthorized site access. Security measures will be effective at all times. The Contractor will repair all damage to the TS or its equipment resulting from failure to provide adequate security measures.

2.4 FACILITY MAINTENANCE

2.4.1 General

The Contractor shall be solely responsible for maintaining the TS in good working order and condition, provided that maintenance during the first year which is found to be resultant from construction shall not be the responsibility of the Contractor. The Contractor shall maintain and repair all equipment and Facilities, including all plumbing, mechanical, structural, and electrical systems and components, all landscaping, drainage systems, and related components. The Contractor shall plan, schedule, and control preventative maintenance to minimize equipment downtime.

2.4.2 Buildings

Buildings shall be maintained in good condition at all times. Painted surfaces on the interior and exterior shall be repainted by the Contractor as needed. The color and design shall be subject to review and approval by the Authority prior to commencement of painting work.

The Contractor shall inspect, lubricate, adjust, repair, maintain, and replace all building systems, including but not limited to plumbing, sumps, fixtures, heating and ventilation, air condition systems, fire and dust suppression systems, and communications equipment. Any item, component, or device necessary for efficient TS operations that is lost, damaged, destroyed, or that fails during the Contract period shall be replaced by the Contractor. Replacements of any item, component, device, or system shall be of the same type or equivalent quality as installed during original TS construction.

2.4.3 Scale Maintenance

Maintenance and repair of weighing system scales and associated equipment shall be performed by the Contractor on an ongoing basis. Scales used for weighing Waste shall be maintained in accordance with the requirements set forth in "Specifications, Tolerances, and Other Technical Requirements for Weighing and Measuring Devices," U.S. Department of Commerce, National Bureau of Standards, Handbook, 44.

2.4.4 Roads and Pavements

The Contractor shall repair, replace, and patch drives and pavements inside and outside of structures within the TS property boundaries as necessary to maintain roads and pavements in good condition.

The Contractor shall remove daily any and all obstructions from the roadway and from all TS roads used by customers, TS site, and entrance areas. These areas shall be kept clean by high pressure washing with water, power brooms, or other street cleaning equipment. The Contractor shall also paint and maintain traffic direction lines on the roadways on the TS site as necessary to guide traffic clearly to scale locations and recycling drop-off areas. Different colors shall be used to designate roadways leading to public areas and commercial areas.

2.4.5 Cleaning and Janitorial Services

The Contractor shall steam clean the interior and exterior of the main building at least annually from the commencement of commercial operations. Cleaning of all surfaces that accumulate dust within the TS shall be performed regularly. Vehicle maneuvering and staging areas shall be swept and hosed daily, at a minimum, and washed with detergent if necessary. Volatile materials shall be properly stored in covered metal containers. Waste shall be removed daily and disposed of by deposit in Trailer or into sanitary sewers. The Contractor shall supply all equipment, supplies, and labor for cleaning.

Janitorial services shall be regularly provided by the Contractor to maintain all offices, rest rooms, employee break rooms, and other indoor facilities. Janitorial services shall include, as appropriate, vacuuming, dusting, sweeping, mopping, cleaning, buffing floors, stripping and waxing floors, emptying the trash, cleaning windows, scrubbing carpets, cleaning bathroom sinks, toilets, and counters, replacing toilet tissue and paper towels, replacement and cleaning of doormats.

2.4.6 Landscape Maintenance

The general appearance of landscaped areas shall be kept neat and well maintained. Regular landscaping maintenance activities shall include planting, weed control, mulching, mowing, irrigating, mechanical weed control, turf and lawn maintenance, pruning, tree staking, and clearance of drainage ways.

Section 3
TRANSPORTATION AND DISPOSAL OPERATIONS

3.1 GENERAL REQUIREMENTS

It is the intent of these Specifications to ensure that Contractor equipment is suitable for Waste transport and disposal. Trailers or containers shall be rigid and durable, corrosion resistant, nonabsorbent, easily cleanable, and suitable for handling with no sharp edges or other hazardous conditions. Trailers or containers shall be capable of withstanding the hard use typically associated with handling Waste.

Containers shall be designed, engineered, and rated to perform satisfactorily and safely at all times. Containers shall be of a height and width that does not require special permits for use on public roads. Overall outside length, height, bridge span, and distance between axles of trailers or containers placed on chassis when combined with tractor if necessary during an emergency shall conform to all applicable local, state, and federal regulations.

Containers shall be rear-load design and suitable for compaction by pre-load compactor. Containers shall be designed and maintained so that leakage or spillage of either Waste or liquids while in transit or storage does not occur, and so that Waste does not blow out or cause odors during transport.

Trailers or containers shall be numbered so that the number cannot be hand-removed. The number shall be a minimum of six inches in height and shall be easily legible at a distance of 50 feet.

3.2 MAINTENANCE AND REPAIRS

Containers shall be maintained by the Contractor in accordance with the manufacturer's recommended maintenance schedule, and shall be maintained in a safe working condition at all times. Containers shall be inspected at least monthly for corrosion, leaks, loose-fitting doors, holes or other damage to the top-covering mechanism, sidings, frames or other damage incurred during Transport and Disposal of Waste, and repaired as necessary.

Each time a trailer or container is emptied, all Waste shall be removed and the Contractor shall clean trailers or containers as necessary to comply with the requirements of the jurisdictional health department(s) and to mitigate odor, unsightliness, or attraction of vectors.

If a trailer or container is damaged during operations, the Contractor shall repair or replace at its own expense.

3.3 PROVISION AND STORAGE REQUIREMENTS

Trailer or container provision and storage requirements include the following:

A. During the first 12 months of service under this Contract, the Contractor shall provide sufficient trailers or containers to allow the greater of the following quantities of Waste to be removed from the station each day:

- 1,320 tons per day, or
- Two times x, where x is the highest average tons per day recorded in any service month, calculated as follows:
 1. Sum the daily tons of Acceptable Waste delivered to the Facility in each month of service under the Contract
 2. Divide each sum by the number of days in that month, (resulting in the average tons per day for each month)
 3. Let x equal the greatest of the averages calculated in 2. above (resulting in the maximum of the average tons per day)

Thereafter, the Contractor shall provide sufficient Trailers to allow two times y tons to be removed from the station each day, where y is the highest average tons per day recorded for any service month in the most recent 12 months of service under the Contract.

B. The Contractor shall conduct its operations so that each day that the Transfer Station throughput is less than or equal to the daily maximum set forth in A. above, at least one empty trailer or container is available at the Transfer Station.

C. Loaded trailers or containers shall be stored at the Transfer Station staging area a maximum of 24 hours and shall not remain in the Lombard or any other local rail storage yard longer than four days from the time they are loaded.

- D. the Contractor may store a maximum of 50 empty and loaded Containers in the staging area at any one time, subject to the limitations of this section.

Failure to comply with the Container provision and storage requirements shall constitute a delay of operations.

3.4 RAIL EQUIPMENT

Rail equipment used to transport Waste from Transfer Station shall be as specified in the Contractor's submittal (Proposal Form T-2), unless the Authority gives written approval of a change in specification. Failure of the Authority to object to Contractor's nonconformance to this specification shall not waive the Authority's right to require conformance with Specifications.

3.5 DISPOSAL FACILITY

The disposal facility must be approved by the Authority in accordance with the Contract and at a minimum must be an environmentally sound, qualified and properly permitted facility with the capacity to dispose of the subject Waste in the quantities indicated in the RFP. All local, state and federal permits must be secured by June 1, 1994 to permit these proposed services. Compliance with all local, state, and federal laws and regulations must be maintained at all times.

Local, State and Federal Permits

All relevant permits and approvals (including conformance with California Public Resources Code 50001) must be in place which reflect the ability of the disposal site to accept the subject Waste. In the proposal, summarize and list all relevant permits and approvals. If any permits are pending, provide the schedule of the tasks and time lines that are being followed to assure the attainment of all permits.

Environmental Documentation

Provide the environmental documentation to satisfy the requirements of California Environmental Quality Act and/or other applicable environmental legislation. If environmental documentation is pending, provide the schedule of the tasks and time lines that are being followed to assure the attainment of all environmental approvals.

Consistency With Existing Plans and Policies

Describe the consistency with or any required changes to existing plans and policies, including Integrated Waste Management Plans, which would be attributable to this project.

Host Fees/Business License Fees

The Contractor has provided information concerning existing host fees. All such future fees will be the responsibility of the proposer, as described in the Contract.

Design

The design of the disposal site which is proposed to accept the Project Waste shall, at a minimum meet the requirements of RCRA Subtitle D. Describe the site development plans for the facility and the engineered environmental protection, including liners, leachate collection and treatment, run-off controls, gas monitoring and controls, groundwater and/or vadose zone monitoring systems, air quality monitoring systems.

Closure/Post-closure Trust Fund

The closure/post-closure and liability funding mechanisms must be funded on a regular basis, and funds collected must be adequate or projected to be adequate for closure and post-closure maintenance. Such funds must not be accessible to the proposer except for closure, post-closure maintenance or third-party liability costs. A complete description of the methods of financing must be provided at the Authority's request.

EXHIBIT C

SOUTH NAPA WASTE MANAGEMENT AUTHORITY

PERFORMANCE BOND (SAMPLE)

KNOW ALL PEOPLE BY THESE PRESENTS:

THAT we, _____,
whose address is _____,
as Principal, and _____,
whose address is _____, and duly authorized under the
laws of the State of California to become sole surety on bonds and undertakings, as Surety,
are jointly and severally held and firmly bound unto the **SOUTH NAPA WASTE
MANAGEMENT AUTHORITY**, a political subdivision of the State of California, as
Obligee, in the full and just sum of _____ (\$_____), lawful money
of the United States of America, to be paid to the said Obligee, successors or assigns; for
which payment, well and truly to be made, we bind ourselves, our heirs, executors,
successors, administrators and assigns, jointly and severally, firmly by these presents.

THE CONDITION of the foregoing obligation is such that; whereas, the above bounden
Principal has entered into a contract, or is about to enter into a contract with the Obligee to
do and perform the following work, to-wit:

SOLID WASTE DISPOSAL SERVICES

as is more specifically set forth in said contractual agreement, to which contract is hereby
made.

SOUTH NAPA WASTE MANAGEMENT AUTHORITY

PERFORMANCE BOND

NOW, THEREFORE, if the said Principal shall well and truly do the said work, and fulfill
each and every of the convenents, conditions and requirements of the said contractual
agreement, then the above obligation shall be null and void, otherwise it shall remain in full
force and effect.

THE SURETY does hereby consent to any and all alterations, modifications and revisions to the agreement secured by this bond including but not limited to, any extension of time for performance or modifications in manner of performance which may be agreed upon and between the SOUTH NAPA WASTE MANAGEMENT AUTHORITY as Obligee and the Principal, and the Surety does hereby waive notice of any alterations, modifications, revisions, or extensions.

SEALED with our seals and dated this ____ day of ____ 19__.

Principal

BY

SURETY

BY

Attorney-In-Fact

NOTE: Signatures must be acknowledged by Notary Public

AGENCIES

EMPIRE WASTE MANAGEMENT	REGIONAL DISPOSAL COMPANY	ECDC ENVIRONMENTAL L.C.	UNION PACIFIC
NOT AVAILABLE	NOT AVAILABLE	AS OF MARCH 1983	NOT AVAILABLE
\$14,114,180	\$40,632,608	NOT AVAILABLE	\$14,088,000,000
\$12,572,310	\$30,430,456	NOT AVAILABLE	\$12,326,000,000
NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE
NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE
1.0541	0.7044	0.6309	0.6627
1.0145	0.3670	NOT AVAILABLE	0.6253
NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE
NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE
0.6973	0.5239	0.4576	0.3835
0.7886	0.2542	NOT AVAILABLE	0.3533
NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE
NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE
\$8,718,720	\$29,673,886	NOT AVAILABLE	NOT AVAILABLE
\$7,806,714	\$5,224,609	\$3,700,824	\$7,294,000,000
\$8,080,181	NOT AVAILABLE	NOT AVAILABLE	\$7,028,000,000
NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	\$6,984,000,000
0.0881	0.0051	NOT AVAILABLE	NOT AVAILABLE
0.0803	-0.6121	0.1559	0.0898
0.1135	NOT AVAILABLE	NOT AVAILABLE	0.0091
COMPANIES INCEPTION 7/1/91		NOT AVAILABLE	0.0887

DESCRIPTION OF COMPARISON

FINANCIAL INFORMATION:

TOTAL ASSETS FOR 1983
TOTAL ASSETS FOR 1982
TOTAL ASSETS FOR 1991
TOTAL ASSETS FOR 1980

CURRENT RATIO TEST 1983
CURRENT RATIO TEST 1982
CURRENT RATIO TEST 1991
CURRENT RATIO TEST 1980

ACID RATIO TEST 1983
ACID RATIO TEST 1982
ACID RATIO TEST 1991
ACID RATIO TEST 1980

TOTAL GROSS REVENUES 1983
TOTAL GROSS REVENUES 1982
TOTAL GROSS REVENUES 1991
TOTAL GROSS REVENUES 1980

PROFIT MARGIN RATIO 1983
PROFIT MARGIN RATIO 1982
PROFIT MARGIN RATIO 1991
PROFIT MARGIN RATIO 1980

SOUTH NAPA WASTE MANAGEMENT AUTHORITY BID COST SUMMARY: OPERATION, TRANSPORTATION AND DISPOSAL			
COMPANY NAME	BID AMOUNT 1993 \$/TON	\$ DIFFERENCE FROM LOW BID	
	PROPOSER'S TERMS	AUTHORITY'S TERMS	PROPOSER'S TERMS AUTHORITY'S TERMS
EMPIRE WASTE MANAGEMENT		\$41,570	\$0.000
REGIONAL DISPOSAL COMPANY	\$43,594	\$44,900	(\$1,724)
ECDC ENVIRONMENTAL, L.C.		\$45,630	(\$3,030)
			(\$3,760)

RDC PROPOSER'S TERMS

Calculation Spreadsheet for Total Project Costs - Full Year

Required Inputs from Proposer (a):

Transfer Station Disposal Cost (\$/ton) = 58.31

Transportation Cost (\$/ton-mile) (b) = 80.00

Round Trip Road Distance (miles) = 0.0

Disposal Cost (\$/ton) = 518.25

Cost Escalation Adjustment Factor (Operations) (c) = 0.850

Cost Escalation Adjustment Factor (Transfer/Disposal) (d) = 0.850

Prepared Option (check one):

☐ Transfer Station Disposal

☐ Transportation & Disposal

☐ Both

Terms (check one):

☐ Authority's Terms

☐ Proposer's Terms

Automatic Calculations (Not to be Modified by Proposer):

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assumptions:										
Total Annual Tonnage	188,187	188,000	187,733	186,487	185,200	183,833	182,487	181,100	180,133	178,887
Total Annual Ton-Miles (miles) (b)										
Transfer Station Disposal										
Adjusted Cost Per Ton (a)(c)	58.310	58.287	58.312	58.374	58.344	58.822	58.808	518.203	518.506	518.218
Total Annual Tonnage	188,187	188,000	187,733	186,487	185,200	183,833	182,487	181,100	180,133	178,887
Total Annual Cost of Operations	\$1,282,917	\$1,817,315	\$1,084,286	\$1,081,882	\$1,729,480	\$1,788,732	\$1,209,248	\$1,250,808	\$1,882,384	\$1,288,183
Build Waste Transportation										
Adjusted Cost Per Ton-Mile (a)(c)	80.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000
Total Annual Ton-Miles (miles)	28,120	28,487	28,837	27,429	28,348	28,086	28,851	28,442	31,780	32,704
Total Annual Cost of Transportation	\$4,727,208	\$4,888,823	\$8,000,620	\$8,114,883	\$8,231,037	\$8,246,828	\$8,471,044	\$8,284,735	\$8,729,898	\$8,448,723
Build Waste Disposal										
Adjusted Cost Per Ton (a)(c)	518.850	518.514	520.084	520.882	521.208	521.842	522.884	523.287	523.888	524.871
Total Annual Tonnage	188,187	188,000	187,733	186,487	185,200	183,833	182,487	181,100	180,133	178,887
Total Annual Cost of Disposal	\$2,588,233	\$2,888,101	\$2,772,383	\$2,888,284	\$2,844,188	\$2,828,784	\$2,127,244	\$2,228,551	\$2,418,786	\$2,418,816
Total Annual Costs	\$8,537,738	\$10,194,240	\$10,427,246	\$10,888,050	\$10,807,712	\$11,185,374	\$11,408,181	\$11,888,082	\$11,829,251	\$12,187,812
Calculation of Total Project Cost (Discounted to 1988 Dollars Per Ton)										
Discount Factor Based on a 5% discount rate (d)	0.943	0.890	0.840	0.792	0.747	0.705	0.665	0.627	0.582	0.548
Discounted Total Annual Costs	\$8,258,773	\$9,072,828	\$8,754,818	\$8,647,716	\$8,150,877	\$7,844,088	\$7,587,082	\$7,318,450	\$7,080,805	\$6,811,184
Discounted Total Annual Tonnage	177,544	188,208	157,824	147,888	138,282	128,888	121,484	113,813	108,820	98,878
Total Present Value of Costs	\$80,288,853	\$80,288,853	\$80,288,853	\$80,288,853	\$80,288,853	\$80,288,853	\$80,288,853	\$80,288,853	\$80,288,853	\$80,288,853
Total of Tonnages	188,187	188,000	187,733	186,487	185,200	183,833	182,487	181,100	180,133	178,887
Total Present Value of Tonnages	1,282,917	1,817,315	1,084,286	1,081,882	1,729,480	1,788,732	1,209,248	1,250,808	1,882,384	1,288,183
Total Project Cost (\$1988 Dollars) (e)(f)	\$39,824	\$43,594								

- Proposer must provide these inputs for the Authority's Terms, the Proposer's Terms, or both. The Total Project Cost must be calculated separately for the Authority's Terms and for Proposer's Terms.
- Transportation cost (b)(ton-mile) is based on a one-way haul distance from the transfer station to the disposal facility.
- All ton-miles used in calculations are based on a one-way haul distance.
- Annual escalation factor when, for example, a factor of 1.10 reflects a 10 percent annual increase.
- Cost per ton or ton-mile adjusted annually a 3% factor of 3.2% per year times the Proposer's Cost Escalation Adjustment Factors shown above.
- The numerical values shown are rounded to 3 decimal places but actual calculations are not rounded. See Attachment B of the RFP for details of these calculations.
- This is a levelized cost per ton for the first 10-year period of the proposed contract term, calculated by dividing the total present value of costs by the total present value of tonnages.

RDC AUTHORITY'S TERMS

Calculation Spreadsheet for Total Project Costs - Fuel Fuel

Required Inputs from Proposer (a):	
Transfer Station Operations Cost (\$/Ton) =	\$0.00
Transfer Station Costs (\$/Ton-Mile) (b) =	\$0.00
Round Trip Haul Distance (Miles) =	0.0
Disposal Cost (\$/Ton) =	\$18.95
Cost Escalation Adjustment Factor (Operations) (c) =	0.850
Cost Escalation Adjustment Factor (Transfer/Depo) (d) =	0.850

Transfer Station Operations	
Transfer Station Costs	
Disposal	
Cost Escalation Adjustment Factor (Operations)	
Cost Escalation Adjustment Factor (Transfer/Depo)	

Assessment Calculations (Not to be Modified by Proposer):									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Assessment:	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Total Annual Tonnage	108,187	108,000	187,733	186,467	185,200	183,833	182,867	181,400	180,133
Transfer Station Operations									
Adjusted Cost Per Ton (d)(e)	\$0.00	\$10.174	\$10.477	\$10.786	\$11.106	\$11.440	\$11.780	\$12.131	\$12.491
Total Annual Tonnage	108,187	108,000	187,733	186,467	185,200	183,833	182,867	181,400	180,133
Total Annual Cost of Operations	\$1,859,386	\$1,922,873	\$1,966,804	\$2,011,659	\$2,057,450	\$2,104,145	\$2,151,829	\$2,200,477	\$2,250,115
Solid Waste Transportation									
Adjusted Cost Per Ton-Mile (d)(e)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Annual Tonnage	25,130	25,867	26,637	27,429	28,245	29,086	29,951	30,842	31,760
Total Annual Cost of Transportation	\$4,727,508	\$4,888,923	\$5,000,820	\$5,114,883	\$5,231,037	\$5,348,803	\$5,471,048	\$5,594,735	\$5,720,890
Solid Waste Disposal									
Adjusted Cost Per Ton (d)(e)	\$18.950	\$19.514	\$20.084	\$20.662	\$21.208	\$21.842	\$22.584	\$23.287	\$23.956
Total Annual Tonnage	108,187	108,000	187,733	186,467	185,200	183,833	182,867	181,400	180,133
Total Annual Cost of Disposal	\$3,598,353	\$3,698,101	\$3,772,363	\$3,858,394	\$3,946,185	\$4,035,784	\$4,127,244	\$4,220,551	\$4,315,756
Total Annual Costs	\$10,183,228	\$10,499,897	\$10,739,787	\$10,884,716	\$11,234,652	\$11,488,737	\$11,750,121	\$12,015,783	\$12,286,819
Calculation of Total Project Cost (Discounted to 1993 Dollars Per Ton)									
Discount Factor (based on a 6% discount rate) (e)	0.943	0.890	0.840	0.792	0.747	0.706	0.666	0.627	0.592
Discounted Total Annual Costs	\$9,578,517	\$9,344,871	\$9,017,232	\$8,700,824	\$8,395,186	\$8,098,812	\$7,814,502	\$7,538,838	\$7,272,544
Discounted Total Annual Tonnage	177,544	168,200	157,824	147,689	138,392	129,898	121,484	113,813	106,820
Total Present Value of Costs	\$82,777,874	\$82,777,874	\$82,777,874	\$82,777,874	\$82,777,874	\$82,777,874	\$82,777,874	\$82,777,874	\$82,777,874
Total Present Value of Tonnage	1,380,850	1,380,850	1,380,850	1,380,850	1,380,850	1,380,850	1,380,850	1,380,850	1,380,850
Total Project Cost (\$/Ton) (e)(f)	\$64,521	\$64,521	\$64,521	\$64,521	\$64,521	\$64,521	\$64,521	\$64,521	\$64,521

- Proposer must provide these inputs for the Authority's Terms, the Proposer's Terms, or both. The Total Project Cost must be calculated separately for the Authority's Terms and for Proposer's Terms.
- All formulas used in calculations are based on a one-way haul distance from the transfer station to the disposal facility.
- Annual escalation factor where, for example, a factor of 1.10 reflects a 10 percent annual increase.
- Cost per ton or ton-mile adjusted assuming a CPI factor of 2.25 per year times the Proposer's Cost Escalation Adjustment Factor shown above.
- The numerical values shown are rounded to 3 decimal places but actual calculations are not rounded. See Attachment B of the RFP for details of these calculations.
- This is a levelized cost per ton for the first 10-year period of the proposed contract terms, calculated by dividing the total present value of costs by the total present value of tonnage.

WASTE MANAGEMENT

Calculation Spreadsheet for Total Project Costs - Rail Haul

Proposed Options (check one):

☐ Transfer Station Operation

☐ Transportation & Disposal

☐ Both

Terms (check one):

☐ Authority's Terms

☐ Proposer's Terms

Required Inputs From Proposer (a):

Transfer Station Operations Cost (\$/Ton) =	88.73
Transportation Costs (\$/Ton-Mile) (b) =	80.03
Round Trip Haul Distance (Miles) =	1,740.0
Disposal Cost (\$/Ton) =	\$14.00
Cost Escalation Adjustment Factor (Operations) (c) =	0.900
Cost Escalation Adjustment Factor (Transp/Disp) (c) =	0.900

Automatic Calculations (Not to be Modified by Proposer):

	Year 1 1994-05	Year 2 1995-06	Year 3 1996-07	Year 4 1997-08	Year 5 1998-09	Year 6 1999-00	Year 7 2000-01	Year 8 2001-02	Year 9 2002-03	Year 10 2003-04
Assumptions:										
Total Annual Tonnage	188,197	189,000	187,733	186,467	185,200	183,933	182,667	181,400	180,133	178,867
Total Annual Ton-Miles (millions) (b)	163,731	164,430	163,326	162,226	161,124	160,022	158,920	157,818	156,716	155,614
Transfer Station Operations										
Adjusted Cost Per Ton (d)(e)	88.730	89.005	89.289	89.561	89.833	90.104	90.375	90.647	90.918	91.189
Total Annual Tonnage	188,197	189,000	187,733	186,467	185,200	183,933	182,667	181,400	180,133	178,867
Total Annual Cost of Operations	\$1,642,960	\$1,701,944	\$1,743,787	\$1,786,566	\$1,830,342	\$1,875,081	\$1,920,834	\$1,967,597	\$2,015,401	\$2,064,275
Solid Waste Transportation										
Adjusted Cost Per Ton-Mile (d)(e)	80.031	80.032	80.033	80.034	80.035	80.037	80.038	80.039	80.040	80.041
Total Annual Ton-Miles (millions)	163,731	164,430	163,326	162,226	161,124	160,022	158,920	157,818	156,716	155,614
Total Annual Cost of Transportation	\$5,123,155	\$5,307,063	\$5,437,556	\$5,571,017	\$5,707,456	\$5,846,967	\$5,989,634	\$6,135,454	\$6,284,518	\$6,436,920
Solid Waste Disposal										
Adjusted Cost Per Ton (d)(e)	\$14.000	\$14.441	\$14.886	\$15.335	\$15.849	\$16.348	\$16.893	\$17.395	\$17.942	\$18.508
Total Annual Tonnage	188,197	189,000	187,733	186,467	185,200	183,933	182,667	181,400	180,133	178,867
Total Annual Cost of Disposal	\$2,634,758	\$2,729,349	\$2,796,450	\$2,865,086	\$2,935,256	\$3,007,003	\$3,080,375	\$3,155,397	\$3,232,026	\$3,310,407
Total Annual Costs	\$8,400,873	\$8,738,378	\$8,977,795	\$9,222,600	\$9,473,055	\$9,728,051	\$10,000,842	\$10,259,419	\$10,531,947	\$10,811,602
Calculation of Total Project Cost (Discounted to 1993 Dollars Per Ton)										
Discount Factor (based on a 6% discount rate) (e)	0.943	0.890	0.840	0.792	0.747	0.705	0.665	0.627	0.592	0.558
Discounted Total Annual Costs	\$8,008,748	\$8,067,120	\$8,377,548	\$8,067,326	\$7,826,076	\$7,563,558	\$7,309,536	\$7,063,671	\$6,825,742	\$6,595,537
Discounted Total Annual Tonnages	177,544	180,209	157,624	147,699	136,392	126,606	121,484	113,813	106,620	98,878
Total of Tonnages	\$77,194,898									
Total Present Value of Tonnages	1,843,597	1,843,597								
Total Project Cost (\$1993/Ton) (e)(f)	\$56,722									
Total Costs	\$41,872									

a. Proposer must provide these inputs for the Authority's Terms, the Proposer's Terms, or both. The Total Project Cost must be calculated separately for the Authority's Terms and for Proposer's Terms.

b. Transportation cost (\$/ton-mile) is based on a one-way haul distance from the transfer station to the disposal facility.

c. All ton-miles used in calculations are based on a one-way haul distance.

d. Annual escalation factor where, for example, a factor of 1.10 reflects a 10 percent annual increase.

e. Cost per ton or ton-mile adjusted assuming a CPI factor of 3.5% per year times the Proposer's Cost Escalation Adjustment Factors shown above.

f. The numerical values shown are rounded to 3 decimal places but actual calculations are not rounded. See Attachment B of the RFP for details of these calculations.

g. This is a levelized cost per ton for the first 10-year period of the proposed contract terms, calculated by dividing the total present value of costs by the total present value of tonnages.

ECDC

Calculation Spreadsheet for Total Project Costs - Rail Haul

Required Inputs from Proposer (a):	
Transfer Station Operations Cost (\$/Ton) =	\$3.46
Transportation Cost (\$/Ten-Mile) (b) =	\$0.02
Round Trip Haul Distance (Miles) =	1,848.0
Disposal Cost (\$/Ton) =	\$30.16
Cost Escalation Adjustment Factor (Operations) (c) =	1.000
Cost Escalation Adjustment Factor (Transportation) (d) =	1.000

Proposed Options (check one):	
Transfer Station Operations	
Transportation & Disposal	
Both	
Terms (check one):	
Authority's Terms	
Proposer's Terms	

Automatic Calculations (Not to be Modified by Proposer)

	Year 1 1994-95	Year 2 1995-96	Year 3 1996-97	Year 4 1997-98	Year 5 1998-99	Year 6 1999-00	Year 7 2000-01	Year 8 2001-02	Year 9 2002-03	Year 10 2003-04
Assumptions:										
Total Annual Tonnage	186,187	186,200	187,723	186,487	186,200	183,833	182,887	181,400	180,133	179,867
Total Annual Ten-Miles (millions) (b)	183,116	183,887	182,884	181,432	180,200	178,867	177,726	176,502	175,288	174,056
Transfer Station Operations										
Adjusted Cost Per Ton (f)(e)	\$9,460	\$9,786	\$9,903	\$9,360	\$9,708	\$10,048	\$10,400	\$10,763	\$11,140	\$11,520
Total Annual Cost of Operations	\$1,762,147	\$1,814,903	\$1,770,542	\$1,740,914	\$1,797,000	\$1,848,127	\$1,889,645	\$1,922,486	\$1,958,716	\$1,992,366
Solid Waste Transportation										
Adjusted Cost Per Ten-Mile (f)(e)	\$0.016	\$0.016	\$0.017	\$0.017	\$0.018	\$0.018	\$0.019	\$0.020	\$0.020	\$0.021
Total Annual Ten-Miles (millions) (b)	183,116	183,887	182,884	181,432	180,200	178,867	177,726	176,502	175,288	174,056
Total Annual Cost of Transportation	\$2,830,866	\$2,842,564	\$2,825,127	\$2,808,862	\$2,818,800	\$2,796,122	\$2,772,727	\$2,747,888	\$2,722,111	\$2,697,040
Solid Waste Disposal										
Adjusted Cost Per Ton (f)(e)	\$30.180	\$31,216	\$32,308	\$33,439	\$34,609	\$35,821	\$37,074	\$38,372	\$39,716	\$41,106
Total Annual Tonnage	186,187	186,200	187,723	186,487	186,200	183,833	182,887	181,400	180,133	179,867
Total Annual Cost of Disposal	\$5,679,022	\$5,898,748	\$6,085,305	\$6,250,257	\$6,408,841	\$6,568,564	\$6,772,256	\$6,960,670	\$7,153,979	\$7,352,355
Total Annual Costs	\$10,008,137	\$10,487,208	\$10,781,775	\$11,084,184	\$11,404,439	\$11,722,843	\$12,048,831	\$12,364,865	\$12,728,805	\$13,081,722
Discount Factor Based on a 6% discount rate (e)										
Discounted Total Annual Costs	\$9,443	\$8,860	\$8,340	\$7,782	\$7,247	\$6,706	\$6,165	\$5,627	\$5,092	\$4,560
Discounted Total Annual Tonnage	\$9,527,457	\$9,342,476	\$9,080,862	\$8,787,817	\$8,522,060	\$8,284,142	\$8,013,680	\$7,770,418	\$7,524,160	\$7,304,798
Total Present Value of Costs	\$84,127,800	\$84,367	\$84,367	\$84,367	\$84,367	\$84,367	\$84,367	\$84,367	\$84,367	\$84,367
Total Present Value of Tonnage	\$1,260,830	\$1,260,830	\$1,260,830	\$1,260,830	\$1,260,830	\$1,260,830	\$1,260,830	\$1,260,830	\$1,260,830	\$1,260,830
Total Project Cost (\$1994/Year) (c)(f)	\$45,432	\$45,432	\$45,432	\$45,432	\$45,432	\$45,432	\$45,432	\$45,432	\$45,432	\$45,432

a. Proposer must provide these inputs for the Authority's Terms, the Proposer's Terms, or both. The Total Project Cost must be calculated separately for the Authority's Terms and for Proposer's Terms.

b. Transportation cost (\$/ten-mile) is based on a one-way haul distance from the transfer station to the disposal facility.

c. Annual escalation factor (e) is based on a one-way haul distance.

d. All ten-mile used in calculations are based on a factor of 1.30 reflects a 10 percent annual increase.

e. Annual escalation factor (e) is based on a factor of 3.5% per year times the Proposer's Cost Escalation Adjustment Factors shown above.

f. Cost per ton or ten-mile adjusted assuming a CPI factor of 3.5% per year times the Proposer's Cost Escalation Adjustment Factors shown above.

g. The numerical values shown are rounded to 3 decimal places but actual calculations are not rounded. See Attachment B of the RFP for details of these calculations.

h. This is a breakeven cost per ton for the first 10-year period of the proposed contract terms, calculated by dividing the total present value of costs by the total present value of tonnage.

1

Ms. Jill Pahl, R.E.H.S
South Napa Waste Management Authority
January 24, 1994
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As you know, given the amount of work required to develop an audited financial statement it would not be possible to meet the time frame in which SNWMA wants to make a decision on our proposal. As a result, I have instructed Peat Marwick to inform me as soon as possible regarding the type of independent statement they can provide and their time frame. I will of course be in contact with you as soon as I hear from them.

Additionally during our phone conversation the issue of Sub-title D compliance came up. I would like to take this opportunity to confirm that Potrero Hills Landfill is in full compliance with all permit requirements. We are currently completing the filling of cells which were permitted prior to October 9, 1993 and which therefore are not required to have a composite liner. At the time of receipt of any waste from SNWMA we use only cells that are fully lined. Additionally, in the past there has been some concern over the alignment of Kildeer Road. As a result of a series of meetings last fall, a schedule has been developed for the re-alignment of this road. This work will also be fully completed prior to the receipt of any SNWMA wastes.

I hope that the above information is helpful to SNWMA in making their decisions, please do not hesitate to contact me with any additional questions you may have.

Sincerely,

SOLANO GARBAGE COMPANY



Charles M. Post
Project Manager
Direct Line: 510/262-1621

January 24, 1994

Ms. Jill Pahl, R.E.H.S.
South Napa Waste Management Authority
c/o Department of Environmental Management
1195 Third Street, Room 101
Napa, California 94559

SUBJECT: SNWMA TRANSFER STATION OPERATIONS, TRANSPORTATION, &
DISPOSAL PROPOSAL

Dear Ms. Pahl;

This letter is in response to your phone call of January 21 requesting additional information. During that conversation, you indicated that our proposal was substantially complete, and that the only item we did not provide was an audited financial statement from Potrero Hills Landfill, Inc.

Solano Garbage Company, Inc. is of the belief that the RFP dated December 9, 1993 did not specifically require that audited financial statements of the disposal facility be provided. Section 3.2.1 of the RFP clearly states that:

"Financial qualifications of the proposer, its parent company, or joint-venture partner and its willingness to support all financial guarantees and to commit the necessary resources to this project. Audited Financials included."
(emphasis added).

In response to this section of the RFP, Solano Garbage Company, Inc. submitted a copy of its audited financial statement. Seeing as Solano Garbage Company, Inc. is the sole proposer, has no parent company, nor joint-venture partner, and Potrero Hills Landfill is not a party to this proposal (and only accepts wastes from Solano Garbage Company on a contractual basis) we believe that we have fully complied with both the letter and the spirit of the RFP.

Nevertheless, we understand SNWMA desire to obtain the best possible company to fulfill the required services, and therefore in the spirit of cooperation we are in the process of complying with your request to the best of our ability. As we discussed over the phone, Potrero Hills Landfill, Inc. is a privately held corporation which does not currently have audited financial statements. This morning I was, however, in contact with their accounting firm, Peat Marwick, Inc., and I requested that they develop some form of independent financial statement, albeit not "audited", which could meet the spirit of your request.

SOLANO GARBAGE COMPANY

P.O. BOX 8, FAIRFIELD, CA 94533 (707) 422-4244

11

AUTHORITY EVALUATION OF PROPOSALS FOR SOLID WASTE SERVICES										NOTES	
COMPANY	BFI	ECDC	EWMA	IPBLC	SNFL	SGC					
LANDFILL LOCATIONS:	CA	UTAH	ARIZ.	WASH.	CA	CA					1- BIDDER ONLY PROPOSED TRANSPORTATION AND DISPOSAL CANNOT BE MATCHED WITH OPERATOR NO FURTHER REVIEW NECESSARY
BID INFORMATION											
OPERATIONS/TRANSPORTATION/ DISPOSAL OPERATIONS ONLY	N/A	RAIL	RAIL	RAIL	N/A	TRUCK					2- INFORMATION ON TRANSPORTATION AND OPERATIONS NOT PROVIDED
TRANSPORTATION DISPOSAL	N/A	N/A	N/A	N/A	N/A	N/A					
TRANSPORTATION DISPOSAL	TRUCK	RAIL	N/A	N/A	TRUCK	TRUCK					
COMMENTS	NOTE-1				NOTE-1.4						3- INFORMATION ON LANDFILL NOT PROVIDED
PRE-QUALIFICATION CRITERIA											4- ONLY PROVIDES FOR 40% DISPOSAL OF THE WASTE STREAM
Q1 GENERAL INFORMATION ABOUT PROPOSER		YES	YES	YES	YES	YES					5- ADDITIONAL INFORMATION REQUESTED
Q2 PROPOSER EXPERIENCE		YES	YES	YES	YES	YES					6- ADDITIONAL INFORMATION REQUESTED AND PROVIDED
Q3 RESUMES OF KEY OFFICERS & PROJECT TEAM		YES	YES	YES	YES	YES					7- GOOD OVERALL REPUTATION
Q4 PROJECT ORGANIZATION		YES	YES	YES	YES	YES					8- EXCESSIVE LITIGATION
Q5 FINANCIAL QUALIFICATIONS		YES-6	YES-6	YES-6	YES-6	NO-2.8					9- NO HOST AGREEMENTS
Q6 REFERENCES AND RECOMMENDATIONS		YES	YES	YES	YES	YES					10- NO COMPACTOR EXPERIENCE
ATTACHMENT A - SURETY LETTER		YES	YES	YES	YES	YES					11- STATE NOT CERTIFIED FOR SUB TITLE "D" REGULATION
ATTACHMENT C - PROPOSAL BID BOND		YES	YES	YES	YES	YES					12- SEVEN DAY STORAGE ON RAIL
QUALIFIED FOR RANKING		YES	YES	YES	YES	NO					13- FOUR DAY STORAGE ON RAIL
RANKING OF PROPOSALS											14- BACKHAUL OPPORTUNITIES
GENERAL QUALIFICATIONS		A-7	B-4	A-7							15- STRONG REGULATORY ENVIRONMENT
TRANSFER STATION OPERATIONS		B-10	A	A							16- EXCEEDS SUBTITLE "D" CURRENT DESIGN STANDARDS
TRANSPORTATION		A-13.14	18	C-12	B-13						17- LOCAL PERMITS REQUIRE REVISIONS
DISPOSAL		B-11.16	9.17	A-15.16							18- RAIL SERVICE ON-SITE
OVERALL NON-COST RANKINGS		2	3	1							
COST PROPOSAL 1993 \$/TON											A=RANKED #1 B=RANKED #2 C=RANKED #3
AUTHORITIES TERMS		\$45.63	\$41.85	\$44.90							
PROPOSERS TERMS- REDUCED HOURS OF OPERATION		100% CFI	80% CFI	85% CFI							
COST RANKING		N/A	N/A	\$43.59							
OVERALL RANKING		3	1	2							
		2	3	1							

3. That an agreement for transfer facility operations, transportation and disposal with Regional Disposal Company be prepared for the Authority Board of Directors' approval at a future meeting.
4. That if an agreement cannot be negotiated with Regional Disposal Company in a timely manner, then staff should prepare an agreement for transfer facility operations, transportation and disposal with East Carbon Development Corporation for the Authority Board of Directors' approval at a future meeting. The issue of current lack of permits at Empire Waste Management is large enough to override all other factors, including a lower cost proposed by Empire Waste Management than the cost proposed by East Carbon Development Corporation.

Staff is recommending proceeding with developing a contract with Regional Disposal Company (Washington) "RDC" because of the following:

RDC has the highest overall combined non-cost and cost rankings.

RDC has strong leadership and management.

RDC has a great deal of experience in operating transfer stations, and in operating rail transfer station operations.

A four day storage of containers is proposed, rather than a seven day storage.

Washington is a federally certified state for Subtitle D.

Host fees have been negotiated with the State of Washington.

The public roads have limited users and are short.

The State of Washington is well known for its strong regulatory oversight programs for both environmental protection and solid waste services.

The lowest percentage of CPI (85%) has been proposed which results in cost savings over the total length of the contract.

The cost of host fees is stable, since long term agreements have been established with the Landfill's State and Local jurisdictions.

The cost of providing strong regulatory oversight and in depth environmental review is, in effect, included in the cost.

RECOMMENDATIONS

1. That the Browning Ferris Industries and Sanifill proposals not be considered further since there are no proposals to compliment them for transfer facility operations.
2. That Solano Garbage Company and Republic Waste Industries not be considered further due to the current lack of audited financials.

Transportation (Ranking = B):

Rail transportation provides for an environmentally superior movement of solid waste in comparison to truck movement. A four day storage of containers is proposed. Rail is also not yet available on-site at the landfill, which could result in the movement of containers over public roads, however the public road has limited users. Plans are being prepared to extend the rail on-site at the landfill.

Disposal (Ranking = A):

Washington is a federally certified state for Subtitle D. However, the landfill design exceeds current Subtitle D standards. Host fees have been negotiated with the State of Washington. The State of Washington is well known for its strong regulatory oversight programs for both environmental protection and solid waste services.

Overall, RDC is the first choice if ranked only by non-cost factors.

COST PROPOSALS:

The proposers provided their first year's transfer facility operation, transportation and disposal costs. The proposers also provided a percentage of the Consumers Price Index (CPI) that they are willing to limit their annual increases to. A lower percentage of CPI results in greater savings for the Authority over the life of the contract. Authority staff inserted the first year's costs in a spreadsheet which evaluated those costs with respect to the projected annual tonnages and the proposer's CPI percentage, using a CPI of 3.5%.

Those spreadsheets are attached for each proposer. There are two spreadsheets for RDC because, as was permitted by the request for proposals, they also proposed other contract terms which result in additional savings for the Authority. The Bid Cost Summary table is also attached. A table with an analysis/comparison of the financial information is also attached. Overall, when ranked solely by cost factors, Empire Waste Management is first, Regional Development Company is second, and East Carbon Development Company is third.

OVERALL RANKING:

The following is a summary of the rankings:

<u>OVERALL RANKING</u>	<u>PROPOSER</u>	<u>NON-COST</u>	<u>COST</u>
1	RDC (Wash.)	1	2
2	ECDC (Utah)	2	3
3	EWM (Ariz.)	3	1

EMPIRE WASTE MANAGEMENT (EWM):

General Qualifications (Ranking = B):

Waste Management, the parent company, has a history of excessive litigation. Staff feels that this is a negative management style.

Transfer Station Operations (Ranking = A):

The proposed team and the parent company have a great deal of experience in operating transfer stations, though their rail transfer station operation is limited.

Transportation (Ranking = C):

Rail transportation provides for an environmentally superior movement of solid waste in comparison to truck movement. A seven day storage of solid waste containers is proposed. Staff is extremely concerned about the environmental impacts of extended storage of full containers, particularly at the Lombard Station. The Lombard Station is located in a industrial park area, which is also close to other adjacent residential uses. Staff's experience indicates that a four day storage, such as was proposed by the other two firms, would significantly increase EWM's per ton cost figure and is environmentally superior to seven day storage. Rail is also not yet available on-site at the landfill, which could result in the movement of containers over public roads. The public road that would be used is a state highway which has multiple users. Plans are being prepared to extend the rail on-site at the landfill.

Disposal (Ranking = C):

Arizona is not a federally certified state for Subtitle D. However, the landfill design exceeds current Subtitle D standards. No host fees have been negotiated with the State of Arizona. Local and state permits will require revisions to allow the Authority's waste to be transported and disposed at the Butterfield Station Landfill. The issue of current lack of permits is large enough to override all other factors, including a lower cost.

Overall, EWM is the third choice if ranked only by non-cost factors.

REGIONAL DISPOSAL COMPANY (RDC):

General Qualifications (Ranking = A):

RDC has a good overall reputation in the solid waste field. Strong leadership and management.

Transfer Station Operations (Ranking = A):

RDC has a great deal of experience in operating transfer stations, and in operating rail transfer station operations.

NON-COST RANKINGS:

The Cost Proposals of the following three firms which survived the pre-qualification review were opened:

East Carbon Development Corporation
Empire Waste Management
Regional Disposal Company

These firms were ranked according to the criteria in the request for proposals and were grouped as follows:

General Qualifications
Transfer Station Operations
Transportation
Disposal

These three firms provide the Authority with the opportunity to choose from very highly qualified and environmentally superior companies for our solid waste service needs. All three firms could adequately provide the services which were requested. Staff has identified below those aspects which differentiate between the three firms:

EAST CARBON DEVELOPMENT CORPORATION (ECDC):

General Qualifications (Ranking = A):

ECDC has a good overall reputation in the solid waste field. Strong leadership.

Transfer Station Operations (Ranking = B):

Current experience with transfer station operations, but no experience with compacting units such as will be installed in the Authority's facility.

Transportation (Ranking = A):

Rail transportation provides for an environmentally superior movement of solid waste in comparison to truck movement. A four day storage of containers is proposed. Potential for savings due to back-haul opportunities of other commodities (coal). Rail service is on-site at the landfill, so no movements over public roads would be necessary.

Disposal (Ranking = B):

Utah is not a federally certified state for Subtitle D. However, the landfill design exceeds current Subtitle D standards. Host fees have been negotiated with the State of Utah.

Overall, ECDC is the second choice if ranked only by non-cost factors.

their proposal, the time required to prepare audited financials would delay the Authority's current financing schedule.

SANIFILL:

- Proposed truck transportation of only 40% of the waste stream. They are not responsive to the request for proposals due to the lack of addressing the total (100%) waste stream.
- Staff is recommending that the Sanifill proposal not be considered further since there are no proposers to compliment them for transfer facility operations.

SOLANO GARBAGE COMPANY:

- Proposed truck transportation for disposal at their Potrero Hills Landfill, Suisun, California.
- Did not pass pre-qualifications because of lack of audited financials for the disposal facility portion of the proposal.

Upon staff's request, some form of financial statements are being prepared, but audited financial statements for Potrero Hills Landfill are not available and would take several weeks to prepare. Because the disposal aspect of the proposal, which would be provided by Potrero Hills Landfill, is a significant portion of the entire proposal, staff feels the current lack of audited financials of Potrero Hills Landfill is a disqualifying factor.

Solano Garbage Company responded to staff's verbal request with the attached letter of January 24, 1994. It has been the Authority's expressed intent throughout this process that audited financials must be provided. In their proposal, Solano Garbage Service states that Potrero Hills Landfill is a "sister corporation", which infers that the two companies are indeed related. If disposal services are provided on a contractual basis, no existing and proposed contracts have been made available to the Authority's staff by Solano Garbage Company or Potrero Hills Landfill. Also no letters of intent from Potrero Hills Landfill have been made available. Even if the contracts and the letters of intent were provided, staff still recommends that the proposal be disqualified due to the lack of audited financials from Potrero Hill Landfill.

The following is a summary of each of the seven proposals and their status relative to the pre-qualification evaluation:

BROWNING FERRIS INDUSTRIES (BFI):

- Proposed truck transportation for disposal at their Keller Canyon Sanitary Landfill in Contra Costa California.
- Did not propose operation of the transfer facility.
- Staff is recommending that the Browning Ferris Industries proposal not be considered further since there are no proposers to compliment them for transfer facility operations.

EAST CARBON DEVELOPMENT CORPORATION (ECDC):

- Proposed rail transportation for disposal at their Landfill in East Carbon City, Utah.
- Proposed operation of the transfer facility only with their transportation and disposal of the waste.
- Passed pre-qualifications.

EMPIRE WASTE MANAGEMENT (EWM):

- Proposed transfer facility operations and rail transportation for disposal at their Butterfield Station Landfill, Arizona.
- Passed pre-qualifications.

REGIONAL DISPOSAL COMPANY (RDC):

- Proposed transfer facility operations and rail transportation for disposal at their Roosevelt Regional Landfill, Washington.
- Passed pre-qualifications.

REPUBLIC WASTE INDUSTRIES:

- Proposed transfer facility operations and truck transportation by West Sonoma County Disposal, Inc. (WSCDI) for disposal at Republic's Anderson Sanitary Landfill, Anderson, California.
- Did not pass pre-qualifications because of lack of audited financials for the transfer facility operations and truck transportation portions of the proposal.

Compiled financial statements were provided upon our request, but audited financial statements for WSCDI are not available and would take several weeks to prepare. Because the operations and transportation aspects of the proposal, which would be provided by WSCDI, are a significant portion of the entire proposal, staff feels the current lack of audited financials of WSCDI does not permit Republic Waste Management to satisfactorily pass the pre-qualifications. The Authority has been very clear that audited financials would be required. Unfortunately, since Republic Waste Management was unsure about the need to provide audited financials for the operations and transportation aspects of

The proposals were separated into two unique sections: a pre-qualification proposal and a cost proposal. A firm had to first pass the requirements of the pre-qualification before their cost proposal was opened and the total proposal ranked. Firms which did not pass the pre-qualifications will have their cost proposals returned unopened. Authority staff evaluated the proposals along with staff from each of the member jurisdictions. The pre-qualification proposal was evaluated using the proposers' responses, relative to each of the services they were offering, regarding the following:

Pre-Qualification Criteria

To be considered qualified, Proposers must satisfactorily meet each of the following pre-qualification evaluation criteria:

Operations: ☐ Yes ☐ No Prior experience with transfer station operations, landfill operations, solid waste transportation, Trans&Disp: ☐ Yes ☐ No solid waste collection operations, or similar operations, including proposer's record of meeting performance standards for identified projects (Proposal Form Q-2).

Operations: ☐ Yes ☐ No Management and operations experience of the Trans&Disp: ☐ Yes ☐ No proposer's key officers and management team (Proposal Form Q-3).

Operations: ☐ Yes ☐ No Proposed project management organization for the Trans&Disp: ☐ Yes ☐ No Project (Proposal Form Q-4).

Operations: ☐ Yes ☐ No Financial qualifications of the proposer, its parent, or joint-venture partner and its Trans&Disp: ☐ Yes ☐ No willingness to support all financial guarantees and to commit the necessary resources to this Project. Audited Financials included. (Proposal Form Q-5).

Operations: ☐ Yes ☐ No Recommendations from listed references (Proposal Trans&Disp: ☐ Yes ☐ No Form Q-6).

Operations: ☐ Yes ☐ No Letter of interest from a Surety or financial institution that expresses interest in providing Trans&Disp: ☐ Yes ☐ No the required performance guarantees for this project (Attachment A of Section 5).

Operations: ☐ Yes ☐ No Proposal Bid Bond submitted (Attachment C of Trans&Disp: ☐ Yes ☐ No Section 5).

FEB 28 1994

NAPA COUNTY

Vince Ferriole
Mike Rippey, alt.

NAPA CITY

Ed Huber
Cindy Watter, alt.

VALLEJO CITY

Rod Boschee
Cris Villanueva, alt.

Trent Cave Jill Pahl Margaret Woodbury Mickie Lindley
Manager Secretary Legal Counsel Clerk

SOUTH NAPA WASTE MANAGEMENT AUTHORITY

TO: Authority Board of Direct
FROM: Trent Cave, R.E.H.S., Aut
DATE: January 26, 1994
SUBJECT: Transfer Facility Operati
 Disposal Proposals



JILL PAHL, R.E.H.S.
Environmental Management Coordinator

ENVIRONMENTAL
HEALTH DIVISION
Department of
Environmental Management
County of Napa

1195 Third Street, Room 101
Napa, California 94559
Phone (707) 253-4410
FAX (707) 253-4545

Seven proposals to provide solid waste services for the Authority were received. Proposals were received from the following firms:

Browning Ferris Industries
East Carbon Development Corporation
Empire Waste Management
Regional Disposal Company
Republic Waste Industries
Sanifill
Solano Garbage Company

Two of the proposers, Browning Ferris Industries and Sanifill, proposed only transportation and disposal. No proposals were received for only operation of the transfer facility. All proposals for transfer facility operation were offered only when the proposer also provided transportation and disposal services. Due to the need to include the transfer facility operator, transporter and disposer in the revenue bond documentation, due to the extended time that would be required to request proposals for transfer facility operations only, and due to the fact that this request for proposals allowed operations only proposals to be submitted but none were received, staff is recommending that the Browning Ferris Industries and Sanifill proposals not be considered further since there are no proposals to compliment them for transfer facility operations.

1

SUBSTANTIALLY EQUIVALENT REVIEW AND GENERAL INFORMATION:
Contact the Ecology Headquarters Office in Olympia.

Randy Martin, Unit Supervisor
Washington State Department of Ecology
Solid Waste Services Program
300 Desmond Drive
P.O. Box 47600
Olympia, WA 98504-7600
(206) 407-6136; SCAN 407-6136

Headquarters Office

APPENDIX II: ECOLOGY CONTACTS

EMERGENCY SHIPMENTS: Contact the Ecology Regional Office for your county.

Benton, Chelan, Douglas, Kittitas, Okanogan, Yakima

Julie Atwood, Section Supervisor
Washington State Department of Ecology
Solid Waste Services Program
106 South 6th Avenue
Yakima, WA 98902-3387
(509) 454-7298; SCAN 558-7298

Central Regional Office

Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman

Leslie Getchell, Section Supervisor
Washington State Department of Ecology
Solid Waste Services Program
North 4601 Monroe Avenue
Spokane, WA 99205-1295
(509) 456-5055; SCAN 545-5055

Eastern Regional Office

Island, King, Kitsap, San Juan, Skagit, Snohomish, Whatcom

Rebecca Glasscock, Section Supervisor
Washington State Department of Ecology
Solid Waste Services Program
Mail Stop NB-81
3190 - 160th Avenue SE
Bellevue, WA 98008-5452
(206) 649-7056; SCAN 354-7056

Northwest Regional Office

Clallum, Clark, Cowlitz, Grays Harbor, Jefferson, Lewis, Mason, Pacific, Pierce, Skamania, Thurston, Wahkiakum

Christine Chapman, Section Supervisor
Washington State Department of Ecology
Solid Waste Services Program
P.O. Box 47785
Olympia, WA 98504-7785
(206) 586-1220; SCAN 321-1220

Southwest Regional Office

FORM C: NOTIFICATION FOR MULTIPLE SHIPMENTS RECEIVED FROM OUT-OF-STATE

This form must be submitted to the Department of Ecology 60 days prior to out-of-state solid waste delivery (see below for address)

A. EXPECTED DATE OF SHIPMENT:		B. STATE/COUNTRY OF ORIGIN:	C. ASSIGNED NUMBER
D. RECEIVING FACILITY:		E. FACILITY TYPE:	
F. AMOUNT AND TYPE OF WASTE IN SHIPMENT:			
PLEASE CHECK		SPECIFY AMOUNT (in tons)	
<input type="checkbox"/> 1. Municipal Solid Waste:			
<input type="checkbox"/> 2. Demolition Waste:			
<input type="checkbox"/> 3. Industrial Waste (specify type of waste):			
<input type="checkbox"/> 4. Inert Waste:			
<input type="checkbox"/> 5. Commercial Waste (specify type of waste):			
<input type="checkbox"/> 6. Wood Waste:			
<input type="checkbox"/> 7. Sewage Sludge/Septage:			
<input type="checkbox"/> 8. Asbestos:			
<input type="checkbox"/> 9. Petroleum Contaminated Soils:			
<input type="checkbox"/> 10. Medical Waste			
<input type="checkbox"/> 11. Tires			
<input type="checkbox"/> 12. Other (specify):			
13. Total			
G. Please check the following sources of waste included in shipment:			
<input type="checkbox"/> Household/residential		<input type="checkbox"/> Hospital/medical facility	
<input type="checkbox"/> Business/commercial		<input type="checkbox"/> Other (specify) _____	
<input type="checkbox"/> Industry (specify type) _____			

PREPARED BY:	DATE:	PHONE:
--------------	-------	--------

Return completed form (forms) to:

Ellen O. Caywood
Solid Waste Services Program
Department of Ecology
PO Box 47600
Olympia, WA 98504-7600
(206) 407-6132

FORM B: SUBSTANTIALLY EQUIVALENT DETERMINATION
Submit this form to the Department of Ecology to obtain a substantially
equivalent determination before shipping solid waste to Washington State

A. NAME OF GOVERNMENT ENTITY Address _____ _____ _____	B. STATE/COUNTY, COUNTRY/PROVINCE OF ORIGIN: _____									
C. Do you have legislatively established goals? Waste Reduction yes _____ no _____ Recycling yes _____ no _____ Implementation date(s) _____ _____	D. What are the goals Waste reduction: weight/volume _____ percent _____ Recycling: weight/volume _____ percent _____									
E. Do you have a state/province solid waste management Plan? yes <input type="checkbox"/> no <input type="checkbox"/> Plan completion date _____ Implementation date _____	F. Does your State/Province/Region solid waste management plan include components for: Waste reduction yes <input type="checkbox"/> no <input type="checkbox"/> Recycling yes <input type="checkbox"/> no <input type="checkbox"/>									
G. Do you have a local government solid waste management plan? yes <input type="checkbox"/> no <input type="checkbox"/> Does your local plan include: check appropriate box(es) Implementation date <input type="checkbox"/> Waste reduction <input type="checkbox"/> Recycling <input type="checkbox"/> Plan completion date _____ Plan implementation date _____ <table style="width:100%; border: none;"> <tr> <td style="width:33%; vertical-align: top;"> Waste reduction elements (check boxes) <input type="checkbox"/> Education <input type="checkbox"/> Market Development <input type="checkbox"/> Procurement <input type="checkbox"/> Outreach/technical assistance <input type="checkbox"/> Other _____ </td> <td style="width:33%; vertical-align: top;"> Recycling elements <input type="checkbox"/> Curbside <input type="checkbox"/> Drop box <input type="checkbox"/> Buy-back <input type="checkbox"/> Education <input type="checkbox"/> Technical assistance <input type="checkbox"/> Procurement <input type="checkbox"/> Market development <input type="checkbox"/> Other _____ </td> <td style="width:33%; vertical-align: top;"> Household Hazardous Waste elements <input type="checkbox"/> Collection days <input type="checkbox"/> Curbside pick-up <input type="checkbox"/> Drop off <input type="checkbox"/> Fixed facility <input type="checkbox"/> Education <input type="checkbox"/> Outreach/technical assistance <input type="checkbox"/> Other _____ </td> </tr> </table>		Waste reduction elements (check boxes) <input type="checkbox"/> Education <input type="checkbox"/> Market Development <input type="checkbox"/> Procurement <input type="checkbox"/> Outreach/technical assistance <input type="checkbox"/> Other _____	Recycling elements <input type="checkbox"/> Curbside <input type="checkbox"/> Drop box <input type="checkbox"/> Buy-back <input type="checkbox"/> Education <input type="checkbox"/> Technical assistance <input type="checkbox"/> Procurement <input type="checkbox"/> Market development <input type="checkbox"/> Other _____	Household Hazardous Waste elements <input type="checkbox"/> Collection days <input type="checkbox"/> Curbside pick-up <input type="checkbox"/> Drop off <input type="checkbox"/> Fixed facility <input type="checkbox"/> Education <input type="checkbox"/> Outreach/technical assistance <input type="checkbox"/> Other _____						
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H. Do you exclude any solid wastes from disposal? yes <input type="checkbox"/> no <input type="checkbox"/> Please check those wastes excluded: <table style="width:100%; border: none;"> <tr> <td style="width:50%; vertical-align: top;"> <input type="checkbox"/> Incinerator ash <input type="checkbox"/> Batteries <input type="checkbox"/> Motor oil <input type="checkbox"/> Hazardous waste (As defined in WA. state law) </td> <td style="width:50%; vertical-align: top;"> <input type="checkbox"/> Household Hazardous Waste <input type="checkbox"/> White goods <input type="checkbox"/> Tires <input type="checkbox"/> Other (specify) _____ </td> </tr> </table>		<input type="checkbox"/> Incinerator ash <input type="checkbox"/> Batteries <input type="checkbox"/> Motor oil <input type="checkbox"/> Hazardous waste (As defined in WA. state law)	<input type="checkbox"/> Household Hazardous Waste <input type="checkbox"/> White goods <input type="checkbox"/> Tires <input type="checkbox"/> Other (specify) _____							
<input type="checkbox"/> Incinerator ash <input type="checkbox"/> Batteries <input type="checkbox"/> Motor oil <input type="checkbox"/> Hazardous waste (As defined in WA. state law)	<input type="checkbox"/> Household Hazardous Waste <input type="checkbox"/> White goods <input type="checkbox"/> Tires <input type="checkbox"/> Other (specify) _____									
<p align="center">OPTIONAL INFORMATION</p> I. Circle procedures in place in your jurisdiction: <table style="width:100%; border: none;"> <tr> <td style="width:33%;">Bottle Bill</td> <td style="width:33%;">Market Development policy</td> <td style="width:33%;">Procurement Policy</td> </tr> <tr> <td>Advanced Disposal Fees</td> <td>Take Back Laws</td> <td>Variable rate collection fees</td> </tr> <tr> <td>Recycled content packaging regulations</td> <td colspan="2">Deposit Fees: Tires Vehicle Batteries White Goods Others</td> </tr> </table>		Bottle Bill	Market Development policy	Procurement Policy	Advanced Disposal Fees	Take Back Laws	Variable rate collection fees	Recycled content packaging regulations	Deposit Fees: Tires Vehicle Batteries White Goods Others	
Bottle Bill	Market Development policy	Procurement Policy								
Advanced Disposal Fees	Take Back Laws	Variable rate collection fees								
Recycled content packaging regulations	Deposit Fees: Tires Vehicle Batteries White Goods Others									
Prepared by: _____	Date: _____	Phone: _____								

S. WILL THERE BE MULTIPLE SHIPMENTS FROM THIS SOURCE OF WASTE: ☐ NO ☐ YES If yes:

Number of expected shipments: _____

Frequency of shipments: _____

Expected completion date for shipments: _____

G. FACILITY CONTACT:

H. COUNTY WHERE FACILITY IS LOCATED:

I. FACILITY CONTACT ADDRESS:

J. FACILITY CONTACT PHONE:

K. NAME OF SENDER:

L. SENDER CONTACT:

M. SENDER ADDRESS:

N. CONTACT PHONE:

O. NAME OF HAULER:

P. HAULER CONTACT:

Q. HAULER ADDRESS:

R. HAULER PHONE:

PREPARED BY:

DATE:

PHONE:

Return completed form (forms) to:

Ellen O. Caywood
Solid Waste Services Program
Department of Ecology
PO Box 47600
Olympia, WA 98504-7600
(206) 407-6132

FOR AGENCY USE
ONLY

NO. _____

FORM A: NOTIFICATION OF SOLID WASTE RECEIVED FROM OUT-OF-STATE
 This form must be submitted to the Department of Ecology 60 days prior to out-of-state solid waste delivery (see back for address)

A. EXPECTED DATE OF SHIPMENT:		B. STATE/COUNTRY OF ORIGIN:	
C. RECEIVING FACILITY:		D. FACILITY TYPE:	
E. AMOUNT AND TYPE OF WASTE IN SHIPMENT:			
PLEASE CHECK		SPECIFY AMOUNT (in tons)	
<input type="checkbox"/> 1. Municipal Solid Waste:			
<input type="checkbox"/> 2. Demolition Waste:			
<input type="checkbox"/> 3. Industrial Waste (specify type of waste):			
<input type="checkbox"/> 4. Inert Waste:			
<input type="checkbox"/> 5. Commercial Waste (specify type of waste):			
<input type="checkbox"/> 6. Wood Waste:			
<input type="checkbox"/> 7. Sewage Sludge/Septage:			
<input type="checkbox"/> 8. Asbestos:			
<input type="checkbox"/> 9. Petroleum Contaminated Soils:			
<input type="checkbox"/> 10. Medical Waste			
<input type="checkbox"/> 11. Tires			
<input type="checkbox"/> 12. Other (specify):			
13. Total			
F. Please check the following sources of waste included in shipment:			
<input type="checkbox"/> Household/residential		<input type="checkbox"/> Hospital/medical facility	
<input type="checkbox"/> Business/commercial		<input type="checkbox"/> Other (specify) _____	
<input type="checkbox"/> Industry (specify type) _____			
G. Is sender a government entity? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Will shipments total more than 1,000 tons/year? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If both of the answers above are YES, Form B Equivalency Determination must accompany this notification.			

(Form Continued on Back Page)

FOR AGENCY USE ONLY
NO. _____

APPENDIX I: REPORT FORMS

Form A: Notification Of Solid Waste Received From Out-Of-State

Form B: Substantially Equivalent Determination

Form C: Notification For Multiple Shipments Received From Out-Of-State

DUTIES FOR LOCAL HEALTH JURISDICTIONS

Ecology may delegate, at the request of the local health jurisdiction, the responsibility of the "substantially equivalent" review process. The jurisdictional health department would be required to notify Ecology of its equivalency determination. All other reporting and notification requirements under this guidance would continue to be made to Ecology.

Annual Renewal Requirements

Each calendar year, Form A, *Notification of Solid Waste Received From Out-of-State*, and Form B, *Substantially Equivalent Determination*, as appropriate, will need to be updated and submitted to the department for a re-evaluation of equivalency. Form C, *Notification for Multiple Shipments Received From Out-of-State*, is a record of each subsequent shipment during a calendar year.

Unacceptable Shipments

The receiving disposal facility will be responsible for determining that shipments do not contain hazardous, dangerous, or mixed waste including nuclear wastes, as defined by Subtitle C of Public Law 94-580, *Resource Conservation and Recovery Act* or chapter 173-303 WAC, *Dangerous Waste Regulations*. Rejection of the shipments and ultimate proper disposal of them need to be negotiated between the disposal facility and the generator.

Facility Regulations

The receiving disposal facility will be responsible for meeting all applicable regulations and permit requirements for their facility.

DUTIES FOR ECOLOGY: OLYMPIA HEADQUARTERS OFFICE

Ecology headquarters will be responsible for review and tracking information received from disposal facilities for all out-of-state solid waste shipments.

The department will notify the disposal facility within ten (10) working days after the receipt of the notification and equivalency review forms, as applicable, as to the completeness of the forms.

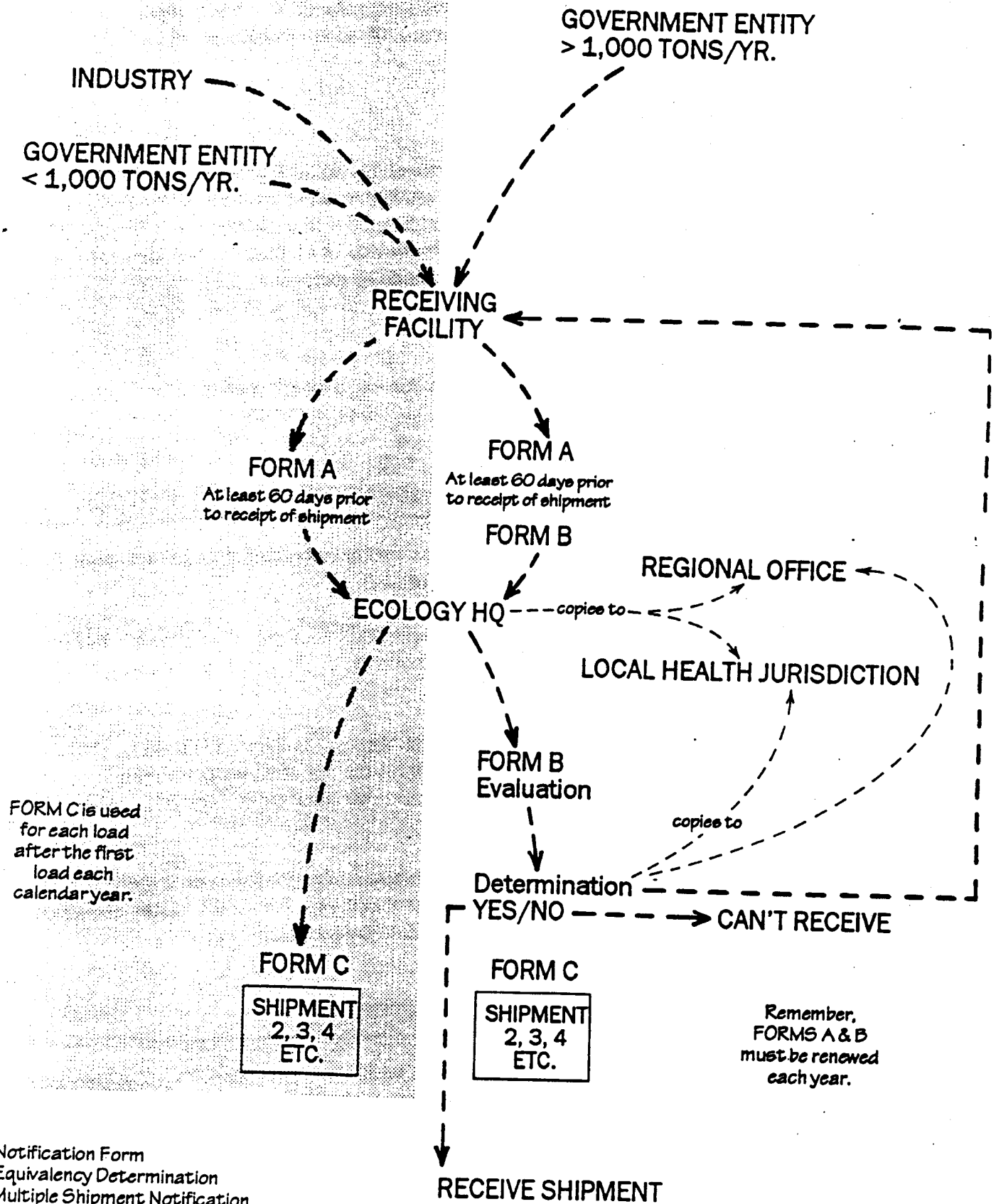
For equivalency review, the department will notify the disposal facility within thirty (30) days of receipt of a completed equivalency review form whether the out-of-state governmental entity's solid waste management program is/is not substantially equivalent to the comprehensive solid waste management program in Washington state.

Ecology may prohibit in-state disposal of solid waste generated outside the state if the generators don't meet the "substantially equivalent" review requirements for solid waste reduction, recycling, or solid waste handling practices used in Washington state.

DUTIES FOR ECOLOGY: REGIONAL OFFICES

The regional office (see Appendix II) will be the contact point for the disposal facility operator in the case of an emergency shipment. It will also forward the information concerning any emergency shipment to Olympia.

Out-of-State Solid Waste Notification Process



FORM A: Notification Form
FORM B: Equivalency Determination
FORM C: Multiple Shipment Notification

as applicable, at least sixty (60) days prior to receipt of solid waste from out-of-state.

All disposal facilities intending to receive solid waste from out-of-state shall submit to the department a completed **Form A, *Notification of Solid Waste Received From Out-of-State*** (see Appendix I), for the first shipment from a generator at least sixty (60) days prior to receipt of that shipment. For each subsequent shipment from the same generator, the facility operator is required to submit **Form C, *Notification of Multiple Shipments*** (see Appendix I), at least 60 days prior to shipment. **Form C** records the contents of each solid waste shipment. (See Flow Chart.)

In addition to the reporting requirement above, all notifications of solid waste from government entities that will exceed 1000 tons per year must be accompanied by documentation of equivalency on **Form B, *Substantially Equivalent Determination*** (see Appendix I). This documentation will enable the department to determine if the solid waste management program of the government entity is substantially equivalent to the comprehensive solid waste management program within the state.

The department will notify the disposal facility within ten (10) working days after the receipt of the notification and equivalency review forms, as applicable, as to the completeness of the forms.

For equivalency review, the department will notify the disposal facility within thirty (30) days of receipt of a completed equivalency review form whether the out-of-state governmental entity's solid waste management program is/is not substantially equivalent to the comprehensive solid waste management program in Washington state.

Until substantial equivalency is determined, solid waste cannot be accepted at the disposal facility from the hauler. Ecology may prohibit in-state disposal of solid waste generated outside the state if the generators don't meet the "substantially equivalent" review requirements for solid waste reduction, recycling, or solid waste handling practices used in Washington state.

If the solid waste identified in the notification form is not transported to the state within six months, documentation will need to be re-submitted to the department for equivalency review.

Emergency Notification

If an emergency situation occurs and a 60-day notification is not possible, the facility must contact, by phone, the appropriate department regional office (see Appendix II) and provide information on source, type, amount, and arrival date of the solid waste and other information that the department deems appropriate.

The disposal facility must then submit the appropriate notification discussed above within ten (10) working days.

(18) "Sewage sludge" means a semisolid substance consisting of settled sewage solids combined with varying amounts of water and dissolved materials generated from a wastewater treatment system, that does not meet the requirements of chapter 70.95J RCW, *Municipal Sewage Sludge - Biosolids*.

(19) "Sludge" means any solid, semisolid, or liquid waste generated from a municipal, commercial, or industrial wastewater treatment plan, water supply treatment plan, or air pollution control facility exclusive of the treated effluent from a wastewater treatment plant.

(20) "Solid waste" means all putrescible and nonputrescible solid and semisolid wastes including, but not limited to garbage, rubbish, ashes, industrial wastes, commercial waste, swill, sewage sludge, demolition and construction wastes, abandoned vehicles or parts thereof, discarded commodities and recyclable materials.

(21) "Solid waste management" means the systematic administration of activities which provide for the collection, source separation, storage, transportation, transfer, processing, treatment, and disposal of solid waste.

(22) "Special incinerator ash" means ash residues resulting from the operation of incinerator or energy recovery facilities managing municipal solid waste, including solid waste from residential, commercial, and industrial establishments, if the ash residues (a) would otherwise be regulated as hazardous wastes under chapter 70.105 RCW, *Hazardous Waste Management*; and (b) are not regulated as a hazardous waste under the federal resource conservation and recovery act, 42 U.S.C. Sec. 6901 et seq. [1987 c528 § 2.]

(23) "Substantially equivalent" means a determination that a comprehensive solid waste management program of an out-of-state government entity provides comparable services to those provided in Washington state.

(24) "Woodwaste" means solid waste consisting of wood pieces or particles generated as a by-product or waste from the manufacturing of wood products, handling and storage of raw materials, trees and stumps.

FACILITY OPERATOR RESPONSIBILITIES

Shipment Notification and Substantial Equivalency

The receiving disposal facility will be responsible for submitting to Ecology headquarters all applicable forms and for meeting the timeline as identified in this guidance. (The Ecology address and contact person are listed on Forms A and C. See Appendix I.)

Disposal facilities must submit to the department the notification and equivalency review forms,

- (8) "Household waste" means any solid waste (including garbage, trash, and sanitary waste in septic tanks) derived from households (including household hazardous waste), including single and multiple residences, hotels and motels, bunkhouses, ranger stations, crew quarters, campgrounds, picnic grounds, and day-use recreation areas. This term does not include commercial, industrial, inert and demolition waste, or wood waste.
- (9) "Incinerator ash monofill" means a disposal facility or part of a facility designed under chapter 173-306 WAC, *Special Incinerator Ash Management Standards*, that is specifically designated to accept only solid waste incinerator ash for final disposal.
- (10) "Industrial solid waste" means solid waste or waste by-products generated by manufacturing or industrial processes such as scraps, trimmings, packing, pallets, and other discarded materials not otherwise designated as dangerous waste under chapter 173-303 WAC, *Dangerous Waste Regulations*. This term does not include commercial, inert, demolition, construction, woodwaste, mining waste, or oil and gas waste but does include lunch room, office, or other similar waste generated by employees at the industrial facility.
- (11) "Inert waste" means noncombustible, nondangerous solid wastes that are likely to retain their physical and chemical structure under expected conditions of disposal, including resistance to biological attack and chemical attack from acidic rain water.
- (12) "Jurisdictional health department" means city, county, city-county, or district public health department as defined in chapter 70.05 RCW, *Local Health Departments, Boards, Officers - Regulations*, chapter 70.08 RCW, and chapter 70.46 RCW.
- (13) "Medical waste" means all the infectious, and injurious waste originating from a medical, veterinary, or intermediate care facility.
- (14) "Operator" means the person(s) responsible for the overall operation of a facility or part of a facility.
- (15) "Problem wastes" means: (a) soils removed during the cleanup of a remedial action site, or a dangerous waste site closure or other cleanup efforts and actions and which contain harmful substances but are not designated dangerous wastes, or (b) dredge spoils resulting from the dredging of surface waters of the state where contaminants are present in the dredge spoils at concentrations not suitable for open water disposal and the dredge spoils are not dangerous wastes and are not regulated by section 404 of the Federal Clean Water Act (PL 95-217).
- (16) "Putrescible waste" means solid waste which contains material capable of being decomposed by micro-organisms.
- (17) "Septage" means a semisolid consisting of settled sewage solids combined with varying amounts of water and dissolved materials generated from a septic tank system.

APPLICABILITY

Reporting requirements in this guidance are applicable to all solid waste being imported for disposal from outside Washington state, regardless of the source or quantity. Disposal will be in solid waste disposal facilities which currently comply with the Municipal Solid Waste Landfill (MSWLF) requirements of chapter 173-351 WAC, *Criteria for Municipal Solid Waste Landfills*, or incinerator/waste energy facilities requirements of chapter 173-304 WAC, *Minimum Functional Standards for Solid Waste Handling*, or chapter 173-306 WAC, *Special Incinerator Ash Management Standards*. Any government entity that disposes of 1000 tons or more each year of solid waste in Washington state will also be subject to the equivalency review provisions of this guidance.

DEFINITIONS

The following words and phrases, as used in this guidance, shall have the following meanings:

- (1) "Biosolids" means municipal sewage sludge that is a primarily organic, semisolid product resulting from the wastewater treatment process, that can be beneficially recycled and meets all requirements under chapter 70.95J RCW, *Municipal Sewage Sludge - Biosolids*. Biosolids includes septic tank sludge, also known as septage, that can be beneficially recycled and meets all requirements of chapter 70.95J RCW. See also the definitions for "sewage sludge" and "sludge".
- (2) "Dangerous wastes" means any solid waste designated as dangerous waste under chapter 173-303 WAC, *Dangerous Waste Regulations*.
- (3) "Demolition waste" means solid waste, largely inert waste resulting from the demolition or razing of buildings, roads and other man-made structures.
- (4) "Department" means the department of ecology.
- (5) "Disposal" means the discharge, deposit, injection, dumping, leaking, or placing of any solid waste into or on any land or water.
- (6) "Emergency" means an unexpected, serious occurrence or situation urgently requiring prompt action. For this guidance, this means a required shipment notification of less than 60 days.
- (7) "Equivalency review" means the process used by the department, as further detailed in this chapter, to ensure that solid waste imported into the state meets the comprehensive solid waste management program standards substantially equivalent to those required of solid waste generated within the state.

INTRODUCTION

Comprehensive solid waste management has been a goal in Washington state for many years, beginning with the 1969 passage of chapter 70.95 RCW, *Solid Waste Management -- Reduction and Recycling*. Amendments were made in the 1980s, which included solid waste management methods for waste reduction and recycling, and the setting of solid waste management priorities. These approaches were taken to ensure a vital, healthy environment. A key element of the solid waste management strategy is safe, affordable disposal of solid waste.

Space in solid waste landfills in many parts of the United States is being rapidly filled, driving up costs or causing solid waste managers to ship solid wastes across county lines, into other states, or even to other countries. In order to monitor solid wastes being imported to Washington state, the 1993 Legislature passed the Solid Waste Importation Bill, Substitute House Bill 1047 (SHB 1047), now recorded as RCW 70.95.217 and RCW 70.95.218.

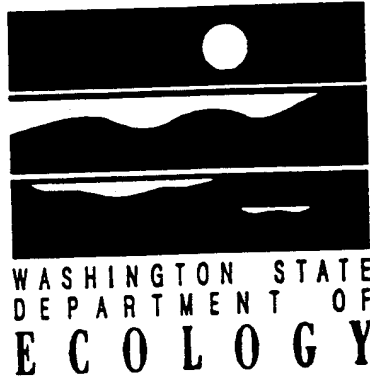
LEGISLATION

Substitute House Bill 1047 (SHB 1047):

- * Requires solid waste disposal site operators to notify the Department of Ecology of the types and quantities of solid waste being received from outside the state at least 60 days prior to receipt of shipment.
- * Provides for less than 60-day notification for emergency shipments.
- * Requires the Department of Ecology to determine if government entities shipping solid waste to Washington have solid waste management standards "substantially equivalent" to those applicable to solid waste generated in Washington State.
- * Provides for Ecology to prohibit in-state disposal of solid wastes generated outside the state if the generator does not meet "substantially equivalent" requirements for solid waste management.
- * Authorizes Ecology to delegate to local health jurisdictions the "substantially equivalent" review process.
- * Authorizes Ecology to adopt implementation rules, if necessary.

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FIGURE	
FLOW CHART	6



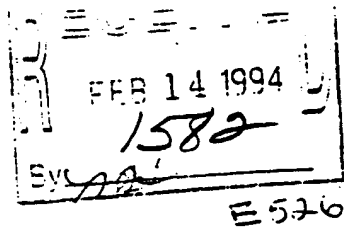
Draft Guidance For Importation of Solid Waste

Solid Waste Services Program
300 Desmond Drive
P.O. Box 47600
Olympia, WA 98504-7600

February 7, 1994



Printed on Recycled Paper



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

P.O. BOX 47600 • Olympia, Washington 98504-7600 • (206) 459-6000

February 7, 1994

Dear Interested Parties:

The 1993 Washington State Legislature passed Substitute House Bill 1047, the Importation of Solid Waste Bill, requiring that solid waste disposal site facility operators notify the Department of Ecology of the types and quantities of waste to be received from out-of-state sources at least 60 days prior to receipt of shipment. The bill also required that Ecology develop guidelines for reporting this information.

Enclosed is a copy of *Draft Guidance For Importation of Solid Waste* for your review and comment. This draft guidance describes the reporting requirements for facility operators and includes the reporting forms.

For reporting the shipment information, Ecology developed three forms: **Form A** is the original notification form which registers the generator and provides background information; **Form B** is used to determine if government solid waste management programs where the waste originates are comparable to the waste management practices in Washington state; and **Form C** reports data for multiple shipments.

Comments will be accepted on this draft guidance until February 28, 1994. Please send your comments to:

Mr. Randy Martin
Washington State Department of Ecology
Solid Waste Services Program
300 Desmond Drive
PO Box 47600
Olympia, WA 98504-7600
(206) 407-6136, FAX: (206) 407-6102

Sincerely,

Michael A. Wilson
Program Manager
Solid Waste Services Program

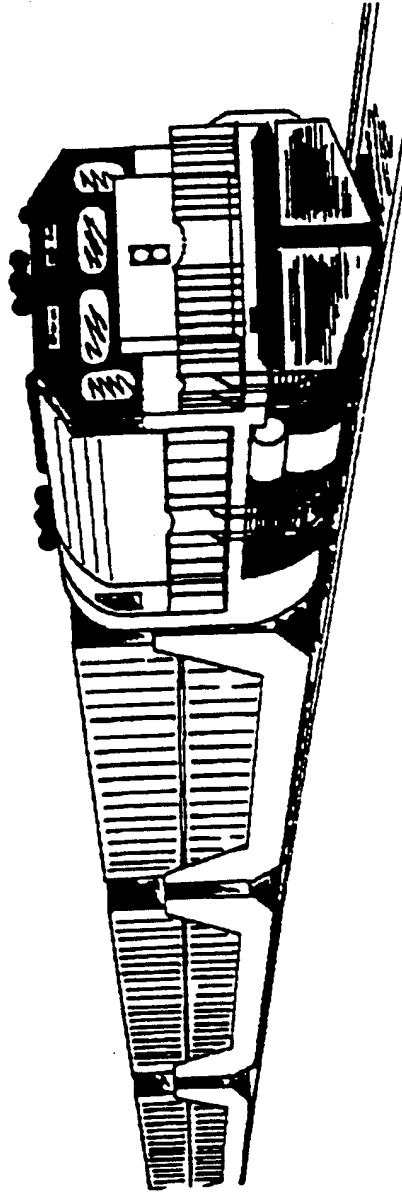
Enclosure



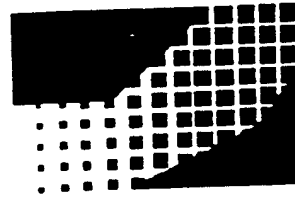


Regional Disposal Company

October 28, 1993



California Integrated
Waste Management Board



AGENDA

- I. INTRODUCTIONS
- II. REGIONAL DISPOSAL COMPANY HISTORY AND CAPABILITIES
- III. VIDEO (7 minutes)
- IV. REGIONALIZATION OF SOLID WASTE SYSTEMS
- V. RAIL-HAUL EFFECTS ON WASTE DIVERSION EFFORTS
- VI. RAIL-HAUL OPERATIONS AND CAPABILITIES
- VII. ROOSEVELT REGIONAL LANDFILL
- VIII. SUMMARY



Regional Disposal Company

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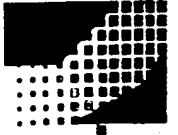
REGIONAL DISPOSAL COMPANY

- **Historical**
 - 65 years collection
 - 65 years multi-waste stream including recycling, transfer and disposal
 - 3 years regional solid waste management
 - 120,000 curbside recycled households
 - 100,000 households collected
- **Operations**
 - 70,000 solid waste containers moved by rail (60% MSW, 20% CDL, 10% Industrial, 10% PCS)
 - 6 rail intermodal facilities
 - All management-level staff have hands-on operating experience (recovery, transfer, intermodal, disposal)
 - 2,000 TPD construction debris recycling and transfer facility
 - 3,000 TPD M.R.F. rail served
 - 6 SWANA qualified, certified management personnel



Regional Disposal Company

Integrated Waste Management Board



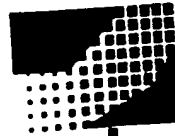
REGIONALIZATION

- Regional Solid Waste Operations
 - AB 939 Mandates - Material Recovery Facilities
 - Rail-equipped Material Recovery Facilities \ Intermodal Facilities
 - Three years experience in a competitive regional MSW marketplace
 - Long term contracts with host county and customers



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RAIL-HAUL EFFECTS ON WASTE DIVERSION EFFORTS

- **Inter-State Movements of Solid Wastes (The Washington Case)**
 - Federal Level - Inter-State Legislation / Flow Control
 - Washington State Inter-State Waste Protocol
 - Washington State - Solid Waste Advisory Council
 - House Environmental Bill
 - Host Klickitat County Agreements



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RAIL HAUL OPERATIONS AND CAPABILITIES

- **Six Intermodal Facilities**
 - Rail served material recovery facilities
 - Truck to rail intermodal facilities
 - Utilization of existing railroad intermodal yards
- **Train Service**
 - Dedicated train service
 - 70,000 rail waste containers moved
 - Turn key operations
- **Multiplicity of Service Capabilities**
 - Blend
 - Dedicated Service
 - Back-up
 - Reserves Existing Capacity



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ROOSEVELT REGIONAL LANDFILL

• Hydrogeology

- 340-foot clay barrier underlying entire site
- More than 1200 feet to the regional aquifer
- Reliable, verifiable performance monitoring aquifer 100 feet below landfill meets all Subtitle D requirements

• Security By Location

- Arid - less than 10 inches of rainfall per year
- Remote - nearest neighbor 3 miles away
- Community
- 1,500 years calculated travel time to aquifer
- Entire site in non-earthquake zone

• Advanced Engineering and Operation Systems

- Long-term assured security
 - Our engineered liner system exceeds Subtitle D and MFS with 80 MIL liner and clay 10' County contract
- Active gas control system complying with new clean air act requirements
- Commitment to energy recovery estimated in 1997
- Peak energy recovery estimated at 60 MW
- Active management of landfill as bioreactor to enhance energy recovery and minimize long-term liability
- Closed-loop leachate management through recirculation eliminates any discharge from landfill

• 1993 SWANA Award

- 1993 SWANA award winning landfill



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**ROOSEVELT
REGIONAL
LANDFILL**

Roosevelt Regional Landfill is at the center of a disposal system positioned to serve the entire region. Working hand-in-hand with local hauling companies and the vast network of the Burlington Northern Railroad, this is a transportation and logistics network that will support competitive pricing over very long distances.

As part of its economic development strategy, Klickitat County selected Regional Disposal Company, affiliated with Rabanco Companies of Seattle, to develop this landfill. Rabanco is Washington state's largest waste handler and

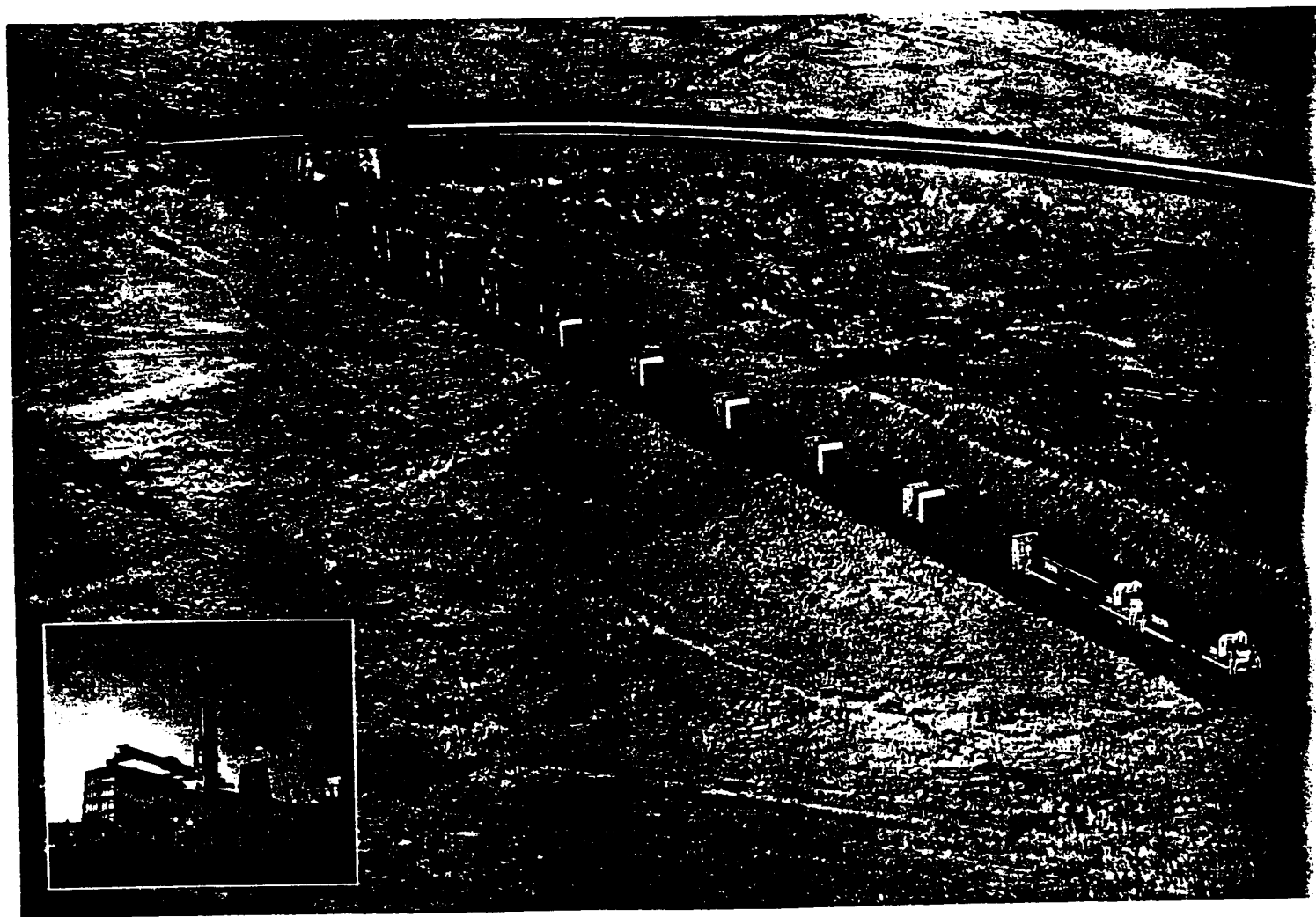
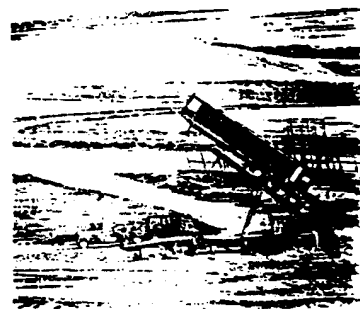
recycler. It is also one of Washington state's oldest waste handling companies, in business since 1929.

The landfill life is 40 years and it has a capacity of 3,000,000 tons/year. It is permitted to accept residential and commercial waste streams, including municipal solid waste, construction and demolition debris, incinerator ash, wood wastes, sewage sludge and petroleum contaminated soils.

Regional Disposal Company has been entrusted with the waste streams of companies and public agencies throughout the region. Weyerhaeuser,

Simpson Timber, Boeing, Kaiser Aluminum, Scott Paper, UNOCAL, Shell, Exxon, British Petroleum, Texaco. All have chosen Roosevelt Regional Landfill as the secure choice. Snohomish, King and Spokane counties, The cities of Seattle and Spokane. They chose the secure choice.

The natural characteristics of the site combined with the company's "step-ahead" engineering keep this landfill in front of regulatory change. It is safe and secure today, safe and secure tomorrow.



R O O S E V E L T R E G I O N A L L A N D F I L L

Regional Disposal Company engineers had attempted to design the natural hydrogeologic features of its new facility; they could not have improved what they found along the dry hills of southeast Washington.

The land is in a natural bowl-shaped depression, so there was no need for major on-site excavation. The bowl shape also acts to reduce winds and screen views. No portion of the landfill is visible from the road or nearby vistas. The site contains 2.5-45 acres of land.

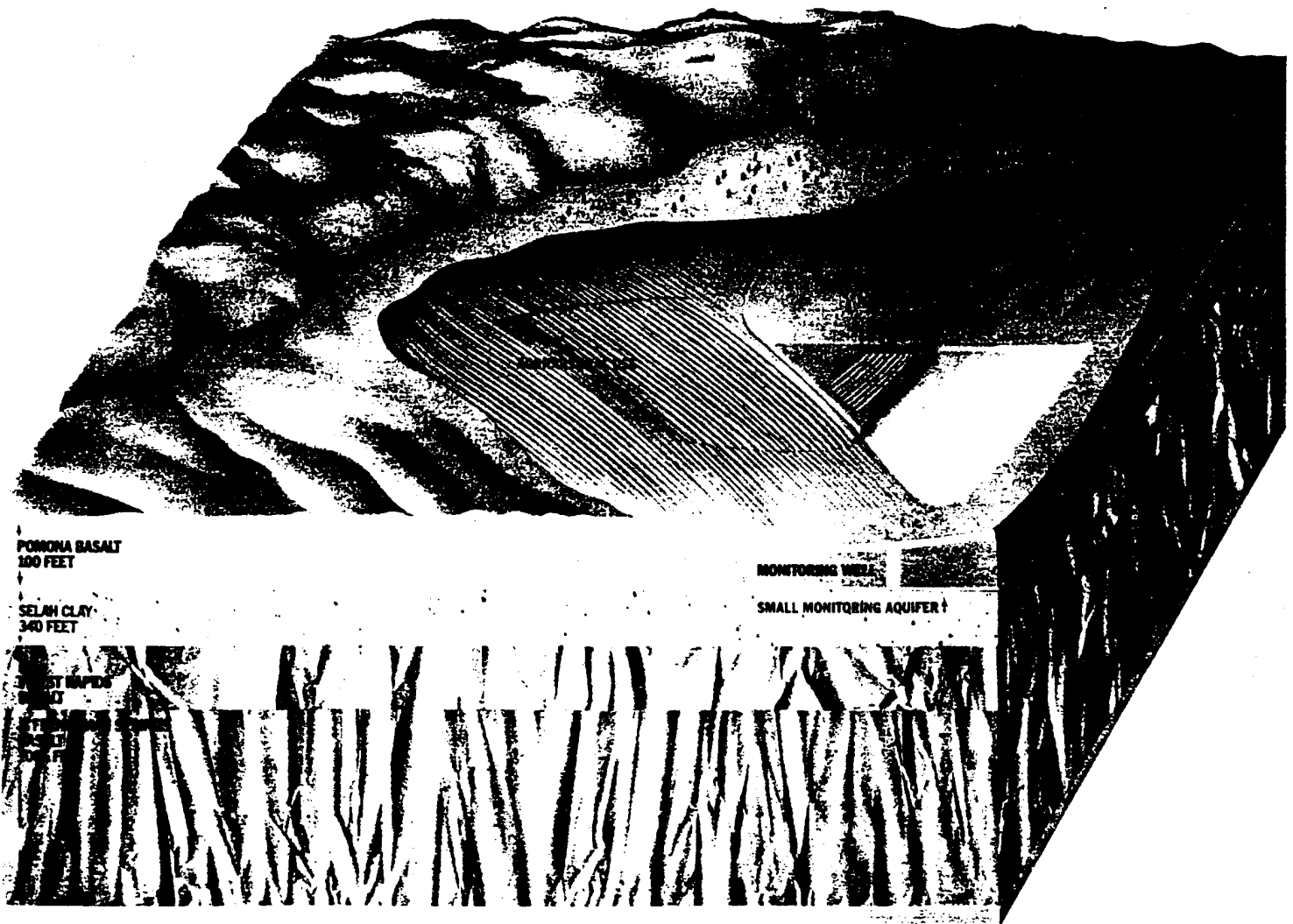
Silt-clay topsoil, over four feet thick, covers the property. Under the entire site is a 340-foot layer of natural clay. This clay provides a natural barrier that allows virtually no water to seep through.

)))
The area gets an average of only 6-9 inches of rain per year. This means the landfill will produce very little leachate-water that percolates through solid waste. Leachate is a major concern for landfills in the wet western portion of the region.

)))
Many of the materials used in the landfilling process are

found in abundance on the site, further lowering costs for our customers. As the site is brought to final grade, it will be returned to agricultural use.

)))
The landfill is located 45 miles east of Goldendale, Washington. The nearest neighbor is three miles away. Klickitat County has a population of 16,000 people.



The Roosevelt Regional landfill has been designed with the most advanced technology available and exceeds Washington state's Minimum Functional Standards and EPA's Sub-title D standards.

)))

The landfill is lined with three different materials. First is a two-foot thick layer of re-compacted clay from on-site natural deposits (10⁻⁶ cm sec.). This clay is about 100 times less permeable than state standards require and is 10 times less permeable than new federal Sub-title D requirements. If a five gallon bucket of water with its bottom cut out was

placed on top of the clay, it would take approximately 60 years for the bucket to empty.

)))

An 80 mil high-density HDPE liner has been installed on top of the clay. This is 60⁻⁴ thicker than the state Department of Ecology requires and 40⁻⁴ thicker than new federal Sub-title D requirements.

)))

A geotextile fabric liner is on top of the HDPE, followed by 1 to 1.5 feet of aggregate. The waste is compacted on this final layer.

)))

The leachate disposal system is the most technologically advanced in the country.

Leachate is collected by a system of pipes throughout the landfill. The leachate is then evaporated using the methane gas recovered from the landfill as the heat source. The gas, the leachate and any contaminants and odors are destroyed in the process.

)))

This leachate disposal system will also create a substantial amount of electricity. Regional Disposal Company has proposed a way of accelerating this energy production by recirculating leachate and

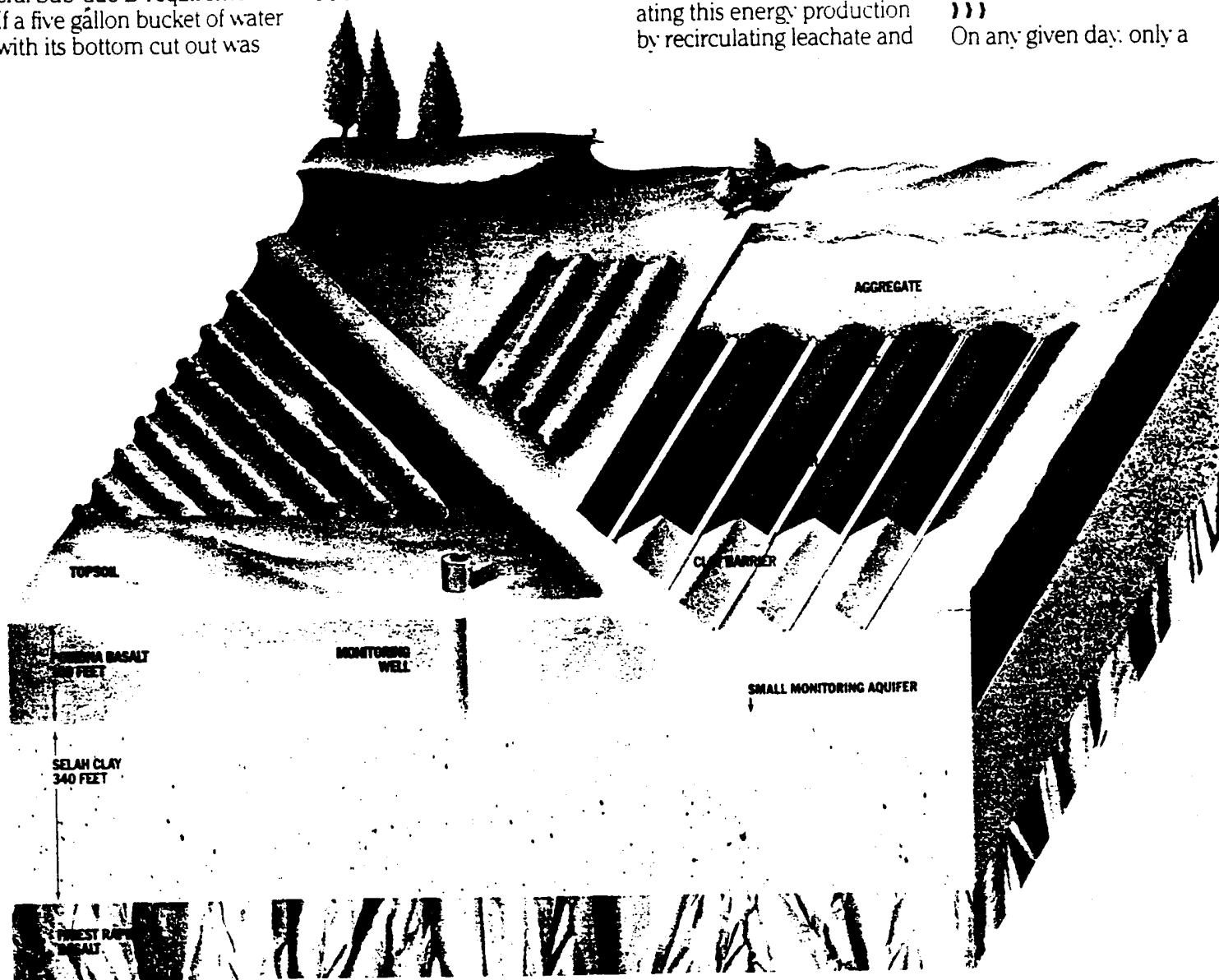
water through the landfill. The capacity of the electricity production can be up to 60 average Megawatts, about three times the amount currently used by Klickitat County residents.

)))

Surface runoff from the site is directed into a series of line drainage ditches, terraced slopes and detention basins. The system has been designed to handle the 100-year storm, as well as the rapid snow melt brought on by the Chinook winds that can occur in this area.

)))

On any given day, only a



S T A T E - O F - T H E - A R T E N V

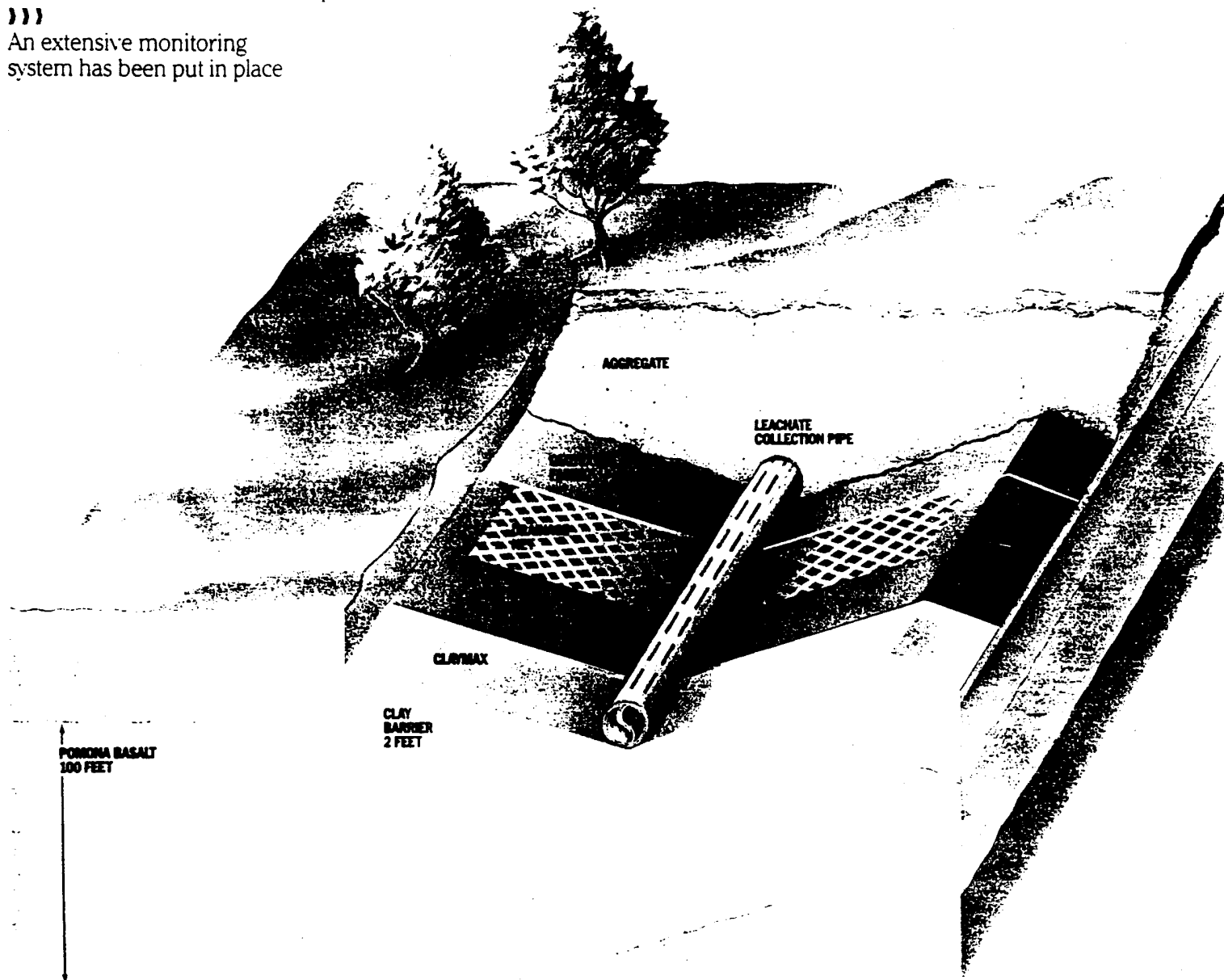
200-300 foot working face of the landfill will be exposed. This operating area will be covered every evening with at least six inches of soil or a fabric cover.

As each section of the landfill is closed, it will be covered with the existing topsoils. These topsoils are 100% less permeable than state law requires. The extensive layering of soils will allow the landfill site to be returned to agricultural use once it has reached closure.

An extensive monitoring system has been put in place

throughout the landfill. This includes monitoring wells to continually check water quality; methane probes to assure there is no subsurface migration of gases; monitoring of emissions from the evaporator system; and surface water monitoring. The safeguards will be continued 30 years after the site has been closed.

The area surrounding the landfill is fully landscaped, with a wide variety of native plants as well as trees which provide windbreaks.



O N M E N T A L E N G I N E E R I N G

The landfill and its associated collection, recycling and transportation systems help our customers in the greater Pacific Northwest region respond to fundamental changes in the waste handling industry.

The key to Roosevelt Regional Landfills success is that our customers will know that once they have dedicated their waste stream to our system, there will be no surprises ten, twenty, or thirty years from now. We avoid surprises by engineering the landfill well-ahead of today's regulation and by maintaining the excel-

lence of the system that transports waste to the landfill.

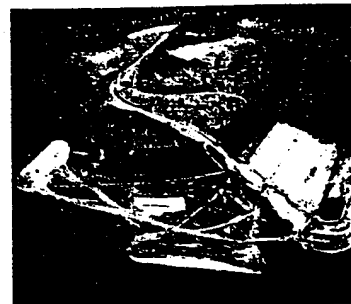
Every day, customers expose themselves to heavy liability by sending their waste streams to landfills that are or will become national superfund sites. Customers at Roosevelt Regional Landfill do not take similar risks. The sophisticated engineering imbedded in Roosevelt Regional Landfill and our elaborate monitoring and tracking systems guard against future customer liability.

We know what is in the containers that arrive at the

gates of Roosevelt Regional Landfill. Waste streams are carefully screened prior to acceptance. Waste delivered to the landfill is inspected on a regular basis.

Yes, smaller landfills can be engineered to our standards and yes, they can be built closer to home. But the risks of landfill development are substantial. Escalating costs and schedule slippage are part of the territory. Over the past year, many municipalities and corporations have defined all their options and compared them to the price and stability of our system. Their answer?

Roosevelt Regional Landfill is a lot closer to home than they ever imagined.



S A F E · S E C U R E · N O S U R P R I S E S

Regional Disposal Company has teamed up with many partners to make this landfill work for everyone.



**REGIONAL
DISPOSAL
COMPANY**

Klickitat County selected RDC to develop and operate the site under a 10-year agreement. The project provides solutions for the county's citizens: a college scholarship fund for high school graduates and many millions of dollars in fees to the county's general fund—up to \$5,000,000 each year. In addition, Klickitat County now has the first rural curbside recycling program in the state and is working with a company that knows the meaning of corporate citizenship. When the gas extraction disposal system is up and running, the

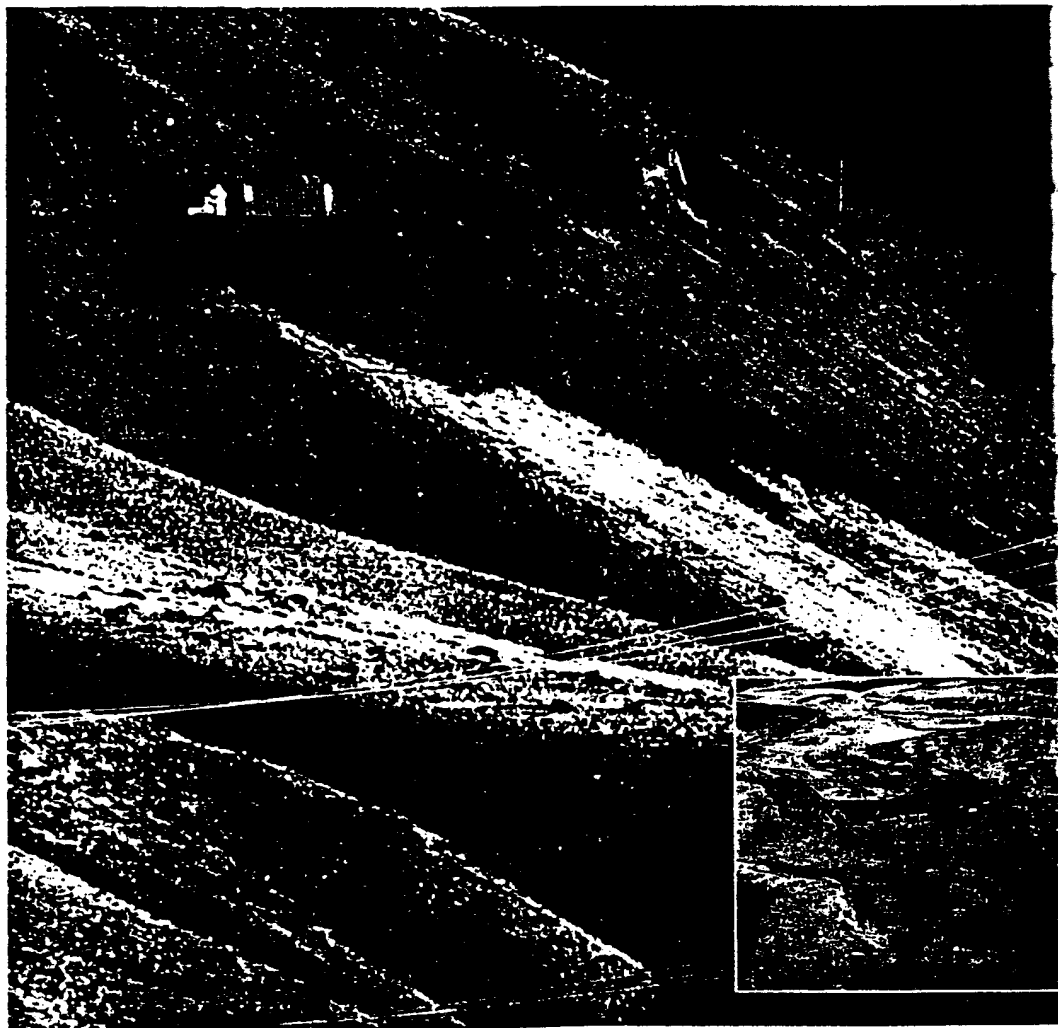
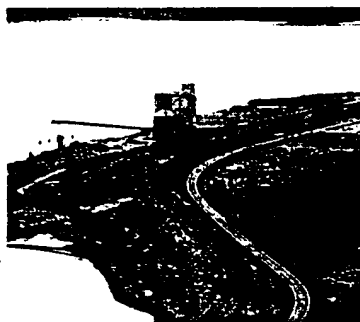
county will share the electricity that is generated on-site.

Local haulers throughout the region share the benefits of this regional asset. Combining the local knowledge and relationships of small waste handlers with the large state-of-the-art regional landfill creates business opportunities for the local hauler, as well as Regional Disposal Company.

Burlington Northern is the safe and efficient road on which much of this solid waste travels. The BN network means cost efficiencies and levels of

service that make our sale a secure choice, the most economical choice as well.

Our primary regulator, the Washington State Department of Ecology, had a goal of creating a totally new standard landfill. It was our goal as well. Together, we have a facility with safeguards significantly above minimum federal standards and well above the new Sub-title D standards administered by the federal government. The state and regional environmental benefit greatly from this standard of landfill operation.



E F F E C T I V E P A R T N E R S H I P